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## Bedford County Economic Needs Assessment

Dennis Burnside  
*Juniper Solutions*

Jim Robey  
*W.E. Upjohn Institute for Employment Research, [jim.robey@upjohn.org](mailto:jim.robey@upjohn.org)*

Brian Pittelko  
*W.E. Upjohn Institute for Employment Research, [Pittelko@upjohn.org](mailto:Pittelko@upjohn.org)*

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# BEDFORD COUNTY

DEVELOPMENT ASSOCIATION

P E N N S Y L V A N I A



## Bedford County Economic Needs Assessment

MAY 8, 2019

Prepared by:



W.E. UPJOHN  
INSTITUTE  
FOR EMPLOYMENT RESEARCH

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# I. EXECUTIVE SUMMARY

## MOVING FORWARD

Bedford County Development Association (BCDA) engaged Juniper Solutions (“Juniper”) and The W.E. Upjohn Institute for Employment Research (“Upjohn”), collectively the “Team,” to study the current economic conditions of Bedford County to assess potential opportunities from a workforce development and commercial real estate perspective. As part of this effort, the initial process entailed creating a baseline assessment leveraging a multitude of data sources, ranging from U.S. Census Bureau to subscription-based platforms like CoStar for commercial real estate and BurningGlass for job posting metrics. During the quantitative data collection, the the Team also met with stakeholders including public officials, County administrators, real estate brokers, and local workforce development experts to gather qualitative information. The interviews were focused on how the County can position itself for future growth opportunities, while identifying the current hurdles and setbacks.



While the team focused on all aspects of the County pertaining to economic development, BCDA's specific focus of the Assessment revolved around the following areas:

- Industry Cluster (Location Quotient/Shift-Share Analysis)
- Strategic Advantages Assessment (SWOT Analysis)
- Real Estate Existing Conditions
- Community Input (Stakeholder Interviews)

The next phase of the project required a significant amount of data consolidation from the interviews and third-party data sources. Once analyzed the Team was able to make informed recommendations on areas the County could improve on with the overall goal of business attraction and workforce development. Ultimately, the Team concluded there are two primary issues the County can realistically and practically improve on to create an environment that will appeal to outside employers and foster growth. The first area is to tailor business attraction efforts on companies in the key industries where the neighboring Counties. These industries have a high location quotient relative to the area and so are assumed to be export industries which bring new money and jobs into the region.

(continued...)



## I. EXECUTIVE SUMMARY

### MOVING FORWARD

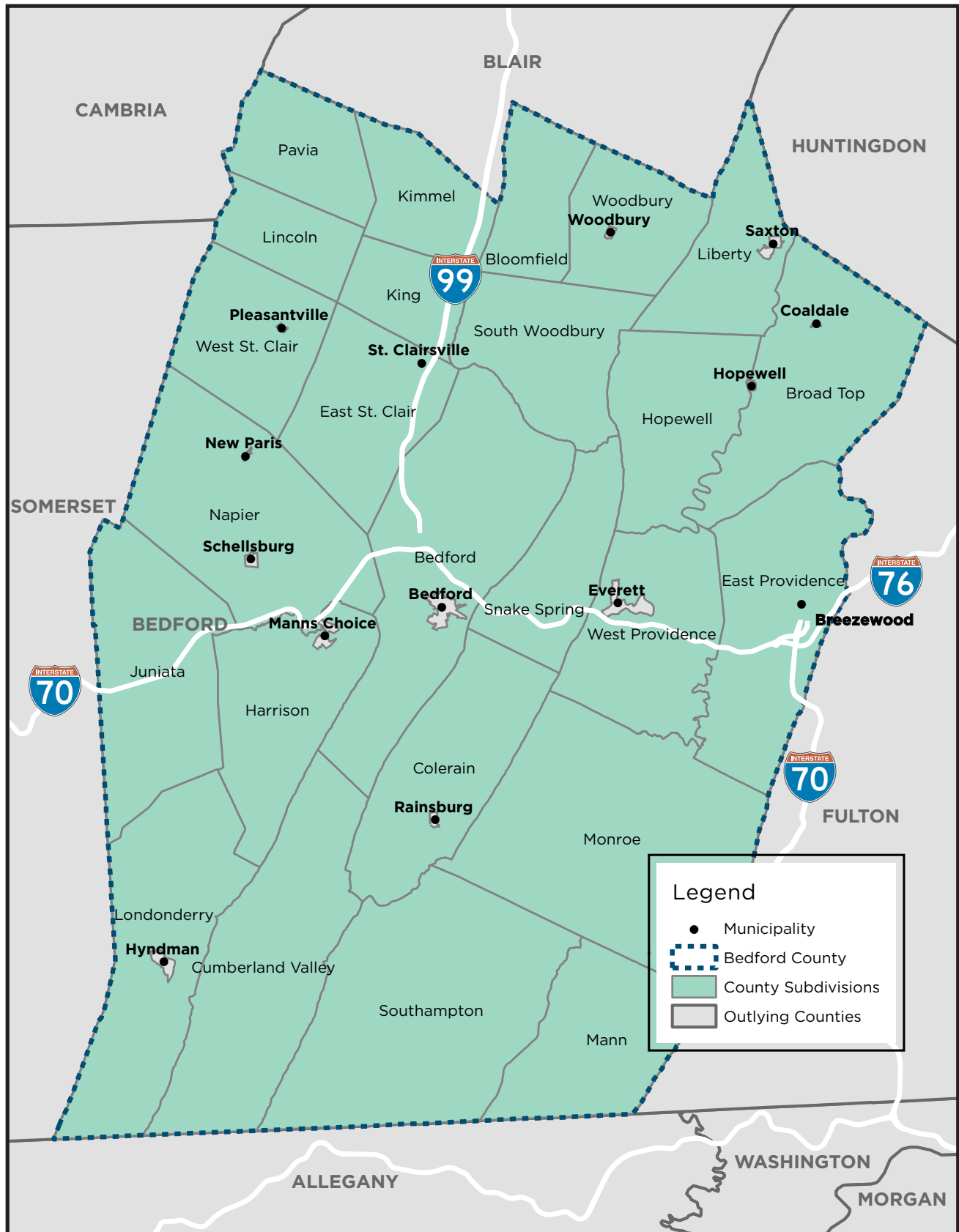
For example, an attraction strategy targeted toward Plastic Products Manufacturing (NAICS 3261) that is also based on a strong existing workforce in these industries, would demonstrate that there is a workforce in the region from which they could draw qualified employees. In the end each industry needs to be looked at in more detail relative to the “fit” with Bedford County, including the availability of suppliers, customers, facilities, workforce and training. This approach also helps to address the fact that 50% of Bedford County’s residents commute outside of the county for work. In other words, this is a method by which Bedford County can work to keep its skilled residents from having to work outside the County.



The other area that stands out in a more obvious and tangible fashion, is the availability of modernized industrial real estate ranging from warehousing/ flex operations to manufacturing-focused inventory. The Team’s recommendation is that Bedford County should consider building at least a 20,000 to 25,000 square foot speculative industrial building that will provide an existing building for any potential tenant or owner-user to occupy within a short timeframe. This data and concept is explored at length later in the report, however simply put, there is a very limited supply of functional, available real estate that can be leverage for economic growth and business attraction efforts.

## II. STUDY AREA MAP

### BEDFORD COUNTY, PENNSYLVANIA



## II-A. BEDFORD COUNTY DEMOGRAPHIC PROFILE

### SNAPSHOT FROM U.S. CENSUS

The following demographic profile snapshot is provided for readers to be able to look at how Bedford County compares to the State of Pennsylvania and the U.S. as a whole. While not an exhaustive list of possible attributes to compare, these Census variables have been selected as they focus on economic growth, needs, and current conditions. The following categories will also be explored in greater detail throughout the assessment.

Fact	Bedford County	Pennsylvania	United States
<b>Population</b>			
Population estimates	48,480	12,805,537	325,719,178
Persons under 5 years	4.8%	5.5%	6.1%
Persons under 18 years	19.5%	20.8%	22.6%
Persons 65 years and over	22.5%	17.8%	15.6%
Veterans	3,777	803,420	18,939,219
<b>Housing Costs</b>			
Median value of owner-occupied housing units	\$126,800	\$170,500	\$193,500
Median selected monthly owner costs -with a mortgage	\$1,065	\$1,446	\$1,515
Median selected monthly owner costs -without a mortgage	\$368	\$515	\$474
Median gross rent	\$658	\$885	\$982
<b>Household Count &amp; Technology Access</b>			
Households	19,666	5,007,442	118,825,921
Persons per household	2.46	2.47	2.63
Households with a computer, percent	76.7%	84.8%	87.2%
Households with a broadband Internet subscription	69.0%	76.8%	78.1%
<b>Education &amp; Workforce</b>			
High school graduate or higher, percent of persons age 25 years+	87.0%	89.9%	87.3%
Bachelor's degree or higher, percent of persons age 25 years+	13.8%	30.1%	30.9%
In civilian labor force, total, percent of population age 16 years+	58.4%	62.6%	63.0%

### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING THE ECONOMY

##### SUMMARY OF ANALYSIS

One approach to identifying industries for study and inclusion in the workshops is to use a combination of an index based on location quotients and shift-share, along with trends analysis of the forecast for industries. Location quotients (LQ) are a measure that look at the share of employment in an industry for a study area relative to the share of that industry nationally. If a study area has an LQ great than 1, this is usually taken to mean that some of the output from that industry is exported out of the study region. A shift-share analysis breaks down employment change between time periods into three components: the impacts of national trends on the study area, the impacts of the trends for an industry nationally (controlling for national effects), and the residual impacts called the local share. The intent of this last component is to estimate whether the study area has a competitive advantage (indicated by a positive employment change) or a competitive disadvantage (indicated by a negative employment change). Although the approach does not give a reason for any advantage or disadvantage, it does suggest those industries that may be worthwhile for further study. This analysis uses historical and forecast estimates of employment and gross domestic product (GDP) from Moody's Analytics.



The following section uses the technique described above to look at export-based industries in Bedford County that meet some part of the criteria in 2019. In this case, “export” industries are defined as those that ship outside of the study area, in this case, Bedford county. The reason for targeting export-based industries is that the sales and deliveries, whether goods or services, of these firms bring new money into the county economy. Other firms, with LQs at or below the threshold may also export, but are usually thought of as serving the population of the county. Unfortunately, the export industries with the highest LQs have slightly negative shift-share components. This indicates that these industries are growing employment slower than expected based on national trends. While the actual numbers of “lost” jobs is small, it may be useful to talk with firms about factors that may be limiting growth within the county.

The outcomes of the LQ/shift-share analysis drive a case study approach that should use additional indicators on how attractive the industry is for both retention and attraction. These could include, but not be limited to Moody’s forecast of the trends for employment and GDP within the county as well as nationally. Also, types of workers needed as well as sources of training for key knowledge and production workers. On the capital side, available real estate including buildings, land, and sites. Other factors could be included that also affect location decisions such as supply chain, customers and other specialized needs that are intrinsic to specific industries under consideration.



### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING THE ECONOMY

#### OUTLOOK FOR KEY INDUSTRIES IN BEDFORD COUNTY

The following section looks at the forecast by Moody's Analytics on historic (back to 2014) change, and the forecast (out to 2024) for employment and gross domestic product for both Bedford County as well as the national trend.

For additional information on Target Industry NAICS Codes including charts and descriptions, please see Exhibit I. Indexing to a base year allows the trends to be better identified relative to both historic and forecast changes. Note that GDP indexes for both the county and national trends are in real dollars. Using real dollars removes the impact of inflation on any growth or decline and in doing so shows actual change rather than change influenced rising or declining costs from inflation.

#### INDUSTRY INSIGHTS FROM NEIGHBORS

In another section of this report, the team used Moody's data to create an index that used historic, current, and future estimates of location quotients (LQs) and shift-share analysis (SS) to identify industries that may have the potential for attraction and expansion in Bedford County. The "may" aspect of this is based in the condition that target industries should be targets of a case study process that evaluates a number of conditions and questions including; what is the long run national forecast?, can a set of assets be identified that make Bedford competitive?, do you have the buildings and people?, as well as others.



The Team also applied the same questions above using LQs and shirt-share analysis to neighboring counties. The intent here is not to steal companies from neighboring counties, but to identify opportunities working under an assumption that these counties have a similar set of circumstances, at least generally, which include by are not limited to: location, transportation, workforce, and training as well as others. In considering any of these industries, the same case study questions that are part of an analysis should be used to better understand the "fit" of any industry in the portfolio of Bedford County. Note that while industries may be case study worthy in a number of neighboring counties, they are not included a potential target is already a target in Bedford County. Also note that the counties are reported in alphabetical order and so if an industry is identified in both Blair and Cambria counties, it will only be reported for Blair County. Finally, the history and forecast data are for Bedford County, not the county that appears to have a competitive advantage in that industry.

The strongest neighboring industries with corresponding charts and full NAICS descriptions can be found in Exhibit II - Industry Insights from Neighbors.

### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING THE ECONOMY

#### LOCATION QUOTIENT & SHIFT-SHARE ANALYSIS

	INDUSTRIES	LOCATION QUOTIENT YEAR			SHIFT-SHARE YEARS		
NAICS	50+ Employees in 2019	LQ 2014	LQ 2019	LQ 2024	2014 to 2019	2019 to 2024	Employment
236	Construction of buildings	1.43	1.3	1.26	-43	-19	246
237	Heavy and civil engineering construction	5.62	6.37	6.18	44	-61	774
2131	Support activities for mining	2.53	2.69	2.64	-1	-7	114
3211	Sawmills and wood preservation	11.94	16.31	16.71	37	-3	173
3261	Plastics product manufacturing	3.19	3.07	3.2	-23	-1	208
3262	Rubber product manufacturing	4.53	4.58	4.76	-4	0	72
3323	Architectural and structural metals manufacturing	2.57	3.54	3.72	35	1	154
3329	Other fabricated metal product manufacturing	1.86	2.46	2.58	15	0	79
3331	Agriculture; construction; and mining machinery manufacturing	17.88	19.1	19.38	-1	-14	520
3339	Other general purpose machinery manufacturing	2.33	2.53	2.57	1	-2	78
4247	Petroleum and petroleum products merchant wholesalers	7.36	10.58	10.85	30	-2	116
4543	Direct selling establishments	3.44	3.81	4.13	2	2	61
4821	Rail transportation	7.16	9.79	10.13	52	-2	239
4841	General freight trucking	1.26	2.19	2.26	99	-4	257
4842	Specialized freight trucking	7.12	5.12	5.26	-132	-4	271
4921	Couriers and express delivery services	3.5	3.48	3.64	-21	1	275
4931	Warehousing and storage	1.45	1.26	1.3	-36	-2	156
8112	Electronic and precision equipment repair and maintenance	4.99	4.73	4.81	-7	-2	57
FR	Farms	4.44	4.62	4.67	-38	-47	1,394

Source: Burning Glass Labor Insight and Bureau of Labor Statistics, Employment Projections

### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING TRAINING

##### POST-SECONDARY ANALYSIS

Postsecondary options are limited within Bedford county, but within adjacent counties options increase. Allegheny College of Maryland has an extension campus in Bedford County which offers associates degrees, certifications, letters of recognition, and training in business, psychology, cybercity, hospitality, and nursing. Penn State has an extension campus in Blair County, and Cambria County has a community college, a satellite campus for the University of Pittsburgh, as well as several private colleges. These institutions offer a variety of technical and liberal arts programs, but graduate degrees are limited. Some graduate options are available, including Masters Business Administration and Social Work.



Discussed in more detail elsewhere in the report, there are in-demand jobs requiring a bachelor's degree or higher that require training not available in the area. Not only physicians and surgeons, but speech pathologists and nurse practitioners were in the top job postings in 2018 and require training outside the area.

In 2017, according to the Census American Community Survey there were 3,490 persons aged 18 to 24 years in Bedford County. Of those over 1,100 persons with either "some college" education (either a certification of incomplete college experience), an associate's degree, or a bachelor's degree. There are also 1,151 residents of any age enrolled in college, including graduate school. Enrollment at Allegheny College Bedford is about 350, meaning that most students leave the county for post-secondary training. Educational attainment, as shown in the table on the following page.

The table on the following page, shows total completions in the surrounding counties. Data are not available by campus for Allegheny College Maryland, and we do not know how many 149 certificates and 524 associate degrees conferred in 2017 were at the Bedford facility. Over 60 percent of the completions in the area were bachelor's degrees. While not shown in the table, health, business, and engineering degrees were the most popular. The map shows locations and total completions (certificate through bachelor's degree) for the institutions around Bedford County in 2017.

Many of the in-demand jobs require less than a bachelor's degree, but some level of post-secondary training. Carpenters, for example are in the top in-demand jobs in 2018 and require an apprenticeship. The nearest training centers for carpentry are in Pittsburgh or Cumberland, Maryland. The nearby community colleges do offer certifications for some skilled trades.

### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING TRAINING



#### EDUCATIONAL ATTAINMENT BY AGE IN BEDFORD COUNTY, 2013-2017

Type	18 to 24	25 and Older
<b>Population</b>	<b>3,490</b>	<b>35,495</b>
Less than high school degree	15.8%	13.0%
High school degree	51.5%	51.5%
Some college or associate's degree	25.4%	21.6%
Bachelor's degree or higher	7.2%	8.0%
Graduate	-	5.8%

#### DEGREE AND CERTIFICATE COMPLETIONS, 2016-2017



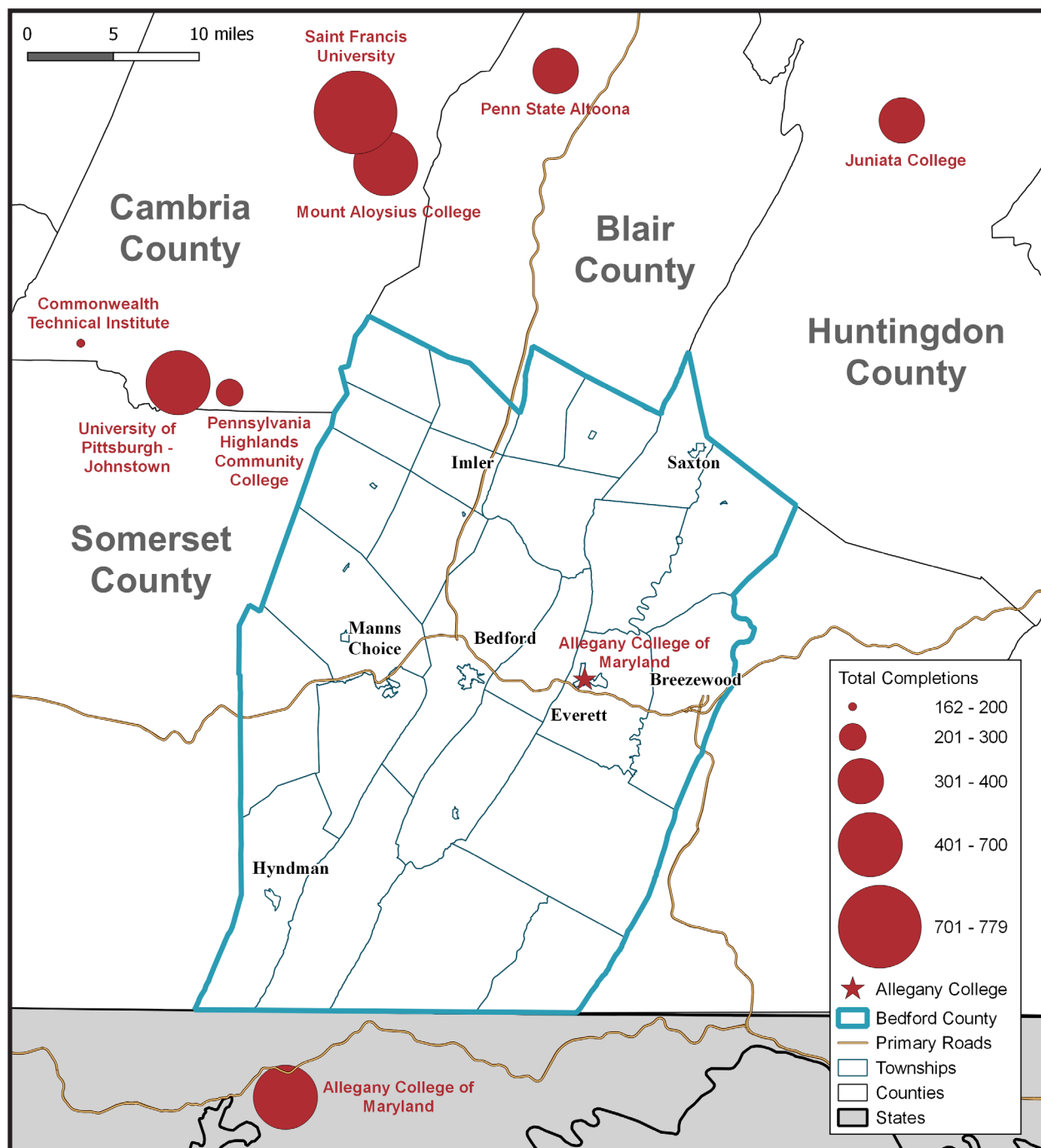
Institution	Certificates	Associate's Degree	Bachelor's Degree	Total
Penn State Altoona	26	21	322	369
Commonwealth Technical Institute	125	37	-	162
Mount Aloysius College	27	184	217	455
Pennsylvania Highlands Community College	13	264	-	277
Saint Francis University	-	10	397	779
University of Pittsburgh-Johnstown	15	24	479	518
Juniata College	-	-	338	343
Total	206	540	1,753	2,903



### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING TRAINING

MAP



### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING TRAINING

#### Top 15 Jobs Requiring Bachelor's Degree or Higher in Bedford County

Occupation	Degree Required	Job Postings
Registered Nurses	Bachelor's	89
Obstetricians and Gynecologists	Doctoral or prof.	24
Physicians and Surgeons, All Other	Doctoral or prof.	21
Commercial and Industrial Designers	Bachelor's	20
General and Operations Managers	Bachelor's	13
Speech-Language Pathologists	Master's	12
Engineers, All Other	Bachelor's	12
Managers, All Other	Bachelor's	12
Nurse Practitioners	Master's degree	10
Physical Therapists	Doctoral or prof.	8
Occupational Therapists	Master's	8
Medical and Health Services Managers	Bachelor's	8
Pharmacists	Doctoral or prof.	7
Internists, General	Doctoral or prof.	6
Healthcare Social Workers	Master's	6

Source: Burning Glass Labor Insight and Bureau of Labor Statistics, Employment Projections

### III. DATA COLLECTION AND INDUSTRY ANALYSIS

#### UNDERSTANDING TRAINING

##### Top 15 Jobs Requiring No College Degree in Bedford County

Occupation	Degree Required	Job Postings
Heavy and Tractor-Trailer Truck Drivers	Postsecondary non-degree award	225
Retail Salespersons	Short-term OJT	60
Laborers and Freight, Stock, and Material Movers, Hand	Short-term OJT	48
First-Line Supervisors of Retail Sales Workers	High school diploma or equivalent	34
Nursing Assistants	Postsecondary non-degree award	30
Waiters and Waitresses	Short-term OJT	27
Licensed Practical and Licensed Vocational Nurses	Postsecondary non-degree award	25
Personal Care Aides	High school diploma or equivalent	25
Maids and Housekeeping Cleaners	Short-term OJT	23
Food Service Managers	High school diploma or equivalent	19
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	High school diploma or equivalent	19
Combined Food Preparation and Serving Workers, Including Fast Food	Short-term OJT	18
Cooks, Restaurant	Moderate-term OJT	17
Customer Service Representatives	High school diploma or equivalent	12
Maintenance and Repair Workers, General	High school diploma or equivalent	12
Production Workers, All Other	High school diploma or equivalent	12
Welders, Cutters, Solderers, and Brazers	High school diploma or equivalent	12
Bartenders	Short-term OJT	12

## IV. STRATEGIC ADVANTAGES ASSESSMENT

### BASELINE ASSESSMENT

#### Workforce and Education

Bedford County is home to the Bedford County Technical Center with an annual enrollment of 300 and serves as a satellite location for the Allegheny College of Maryland - Everett, which has an annual enrollment of 350 students. The education landscape within a one-hour drive is far more robust with seven additional colleges and universities and four more technical/trade schools. Among the largest is the Altoona branch at Pennsylvania State University with 3,400 students and Frostburg State University in Maryland with over 5,700 students.



#### Quality of Place

The local economic development association continues to be mindful of the nexus between quality of place and business/workforce attraction efforts. A recent article indicates, “Quality of life is increasingly important to folks looking to visit or move to our area,” one administrator said. “New employers care about having a safe, beautiful, vibrant community; entrepreneurs want a strong support system; visitors want to enjoy a scenic area with a wide variety of activities.” Having visited the region several times, the Team agrees with BCDA that the following amenities contribute to Bedford’s quality of place:

- Lush limestone valleys dotted with working farms
- Historic towns with National Historic Register districts
- Winding country roads leading through quaint covered bridges
- Pristine mountain lakes
- Snow skiing
- State parks
- Meandering trout streams
- Low crime rate
- Excellent public education systems
- Expanding post-secondary education





## IV. STRATEGIC ADVANTAGES ASSESSMENT

### BASELINE ASSESSMENT

#### Accessibility & Proximity to Major Markets

Bedford County lies at the hub of transportation routes for the Mid Atlantic states. The County is situated at the crossroads of the Pennsylvania Turnpike, Interstates 70 & 99 and U.S. Routes 220 and 30, it is within easy reach of other major concentrations of industry and population. Further testament to Bedford County's location and accessibility advantage is that there is growth in distribution center interest and employment. The table below provides a snapshot of miles and drive-time to the major markets nearby.

To City (from Bedford)	Distance	Drive Time
Breezewood, PA	25 miles	0:30
Pittsburgh, PA	107 miles	1:45
Philadelphia, PA	203 miles	3:15
Altoona, PA	40 miles	0:40
Washington D.C.	141 miles	2:30
Morgantown, WV	105 miles	1:45
Harrisburg, PA	102 miles	1:40
Cumberland, MD	31 miles	0:35

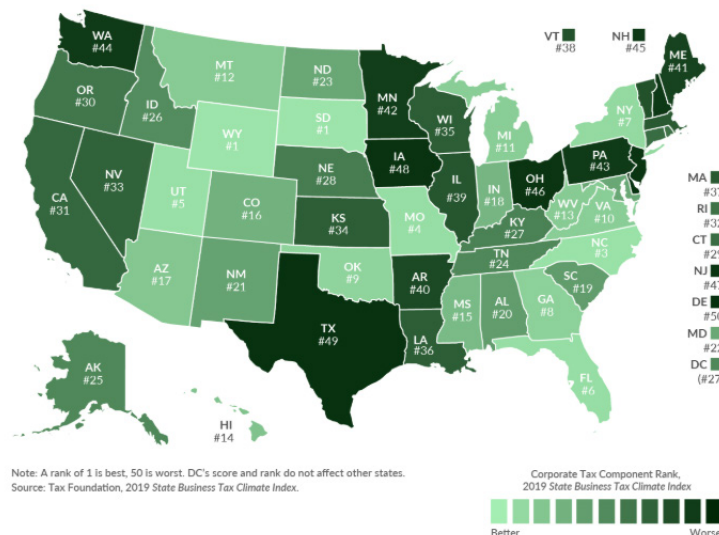
Source: Google Maps

#### Corporate Tax Rate

The Team did not identify any specific barriers to entry regarding the tax structure of the Bedford County economy when compared to competing against other areas of Pennsylvania. However, compared to the United States, at 9.99%, Pennsylvania ranks 43<sup>rd</sup> among states with the highest Corporate Income Taxes, according to The Tax Foundation.

#### How Does Your State Rank on Corporate Taxes?

Corporate Tax Component Rankings, 2019 State Business Tax Climate Index



Source: [www.TaxFoundation.org](http://www.TaxFoundation.org)

## IV. STRATEGIC ADVANTAGES ASSESSMENT BASELINE ASSESSMENT

### UTILITIES

#### ELECTRIC

First Energy Corporation is the primary electric provider in Bedford County through its Penelec and West Penn Power subsidiaries. Two rural electric cooperatives also operate primarily within Bedford County: the Bedford Rural Electric Cooperative and the New Enterprise Rural Electric Cooperative.



#### WATER AND SEWER

There are 21 different sewer system entities and 21 water system entities in Bedford County, according to the Comprehensive Plan for the Southern Alleghenies Region. The plan notes the County is supportive of maintaining and expanding the infrastructure to promote economic growth and maintain/improve environmental and health standards as it relates to water infrastructure. Specifically, there are proposed expansions to current infrastructure include the extension of sewer lines along US30 east of Everett in West Providence Township, and continued growth of the Broad Top Township on-lot septic system repair and replacement project.



#### UTILITY GAS

Per the regional comprehensive plan, "Alleghenies Ahead," less than 5% of homes in Bedford County utilize utility gas to heat their homes, with the heaviest concentration of use being in the Bedford Borough. The remaining housing units use fuel oil and kerosene (+/- 50%) and wood (17%). Commercial consumption data was not available for this analysis.

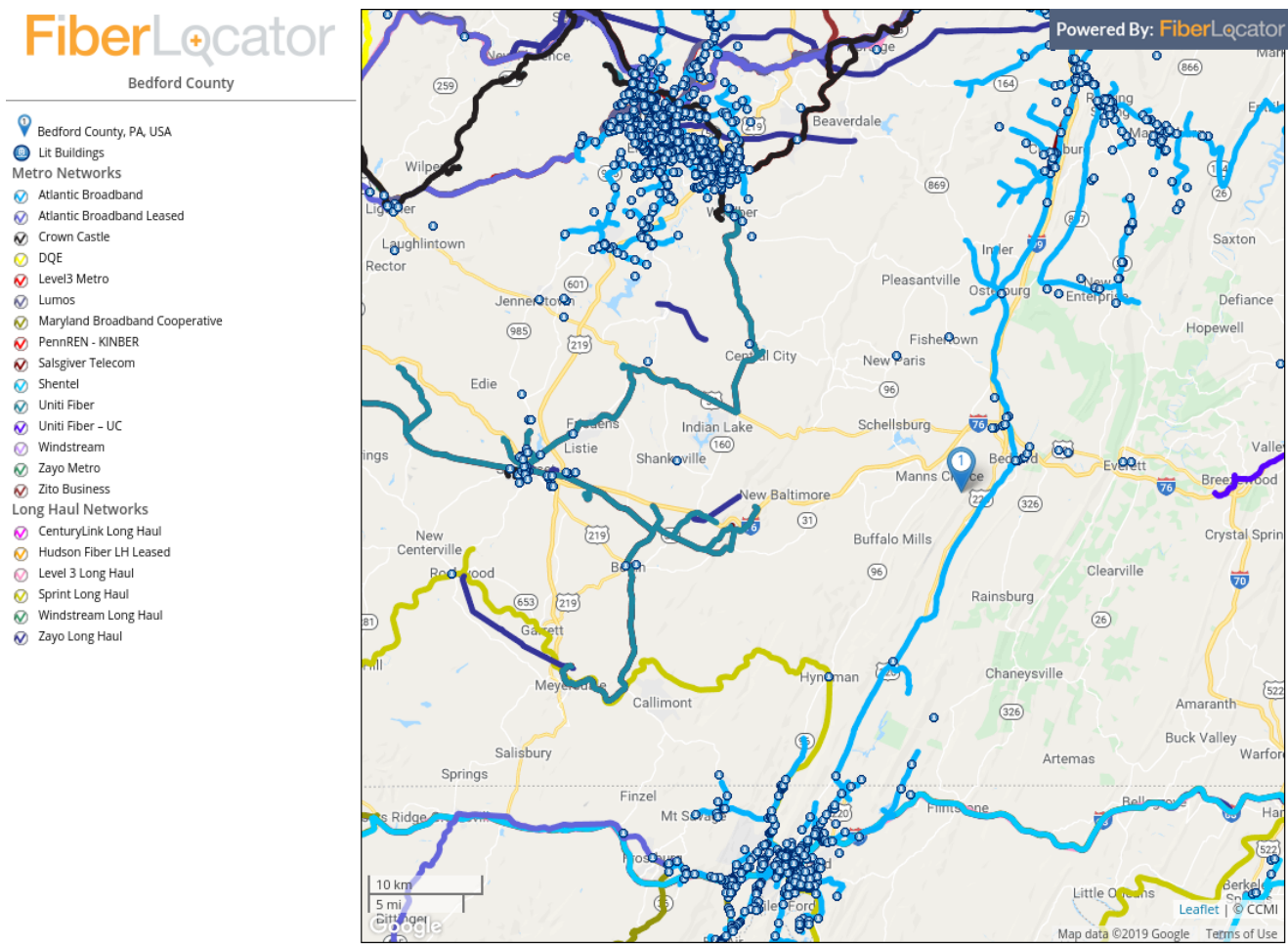
## IV. STRATEGIC ADVANTAGES ASSESSMENT

### BASELINE ASSESSMENT

#### Broadband

After discussions with the business community, local representatives, and economic development professionals, it is clear that Bedford County has significant challenges when it comes to broadband access. Fortunately, the Bedford County Action Plan indicates a Broadband Task Force is being assembled to attempt to address this significant challenge. The Team equates high-speed Internet access to electricity, in terms of business attraction and retention; and reiterates the importance of working diligently to address the long-term need.

Using FirstEnergy's Fiber Locator mapping tool, the following map provides a snapshot of the regional fiber infrastructure which has become increasingly important in site selection projects, depending on the industry. The fiber line generally follows Route 220 from Maryland through Bedford to Altoona. The carrier is Atlantic Broadband. However, when it comes to the number of buildings "lit" with fiber, The County as a whole is a large void compared to the dot density in Cumberland, Maryland and Johnstown, Pennsylvania.



## IV. STRATEGIC ADVANTAGES ASSESSMENT

### SWOT ANALYSIS DIAGRAM

As mentioned before, in assembling the matrix below, the Team met with a number of stakeholders over the course of two days, interviewing and talking with city council, real estate professionals, economic development personnel, workforce and job training experts, along with the private sector leaders. Based on these discussions and other desktop research to support the interview commentary, the following matrix identifies where core strengths, weaknesses, opportunities, and threats currently exist. The following pages will provide more substantial depth on each key theme.

<b>STRENGTHS</b> <ol style="list-style-type: none"><li>1. Quality of Place/Recreation</li><li>2. Regional Six-County Planning</li><li>3. Highway Accessibility</li><li>4. Proximity to Pittsburgh &amp; D.C.</li><li>5. Technical/Career Center Enrollment</li></ol>	<b>WEAKNESSES</b> <ol style="list-style-type: none"><li>1. Lack of Available Industrial Real Estate</li><li>2. Broadband/Internet Access</li><li>3. Public Transportation</li><li>4. Multi-Family Rental Housing</li></ol>
<b>OPPORTUNITIES</b> <ol style="list-style-type: none"><li>1. Birthing Center</li><li>2. Consolidation of Incorporated Entities/Shared Services</li><li>3. Speculative Industrial Building</li></ol>	<b>THREATS</b> <ol style="list-style-type: none"><li>1. Flat Population Growth</li><li>2. 50% Outbound Commuters</li><li>3. Aging Community/Retirement Community Perceptions</li></ol>



## IV. STRATEGIC ADVANTAGES ASSESSMENT

### SWOT ANALYSIS EVALUATION

The following sections are designed to further extrapolate on why the Team placed each item in the corresponding box for the “SWOT” Analysis. The description is not intended to be exhaustive, rather to provide a brief explanation as to why these matters can either bolster or impede future economic development growth initiatives for Bedford County.

#### STRENGTHS

##### Quality of Place/Recreation

Bedford County has a number of factors that positively contribute to its high quality of place. Among them are recreational amenities that draw a number of year-round visitors to the region. Specifically, the rural and scenic nature offers visitors and residents a strong connection to outdoor activities ranging from fishing to hiking to kayaking. One unique asset that this Team agrees can draw attention to the region is the re-activation of Sideling Hill Tunnel for events, public access, and other unique planning/design concepts. These are all considered strengths for business and workforce attraction, as these amenities enhance the quality of place.



Additional contributing factors include a lower cost of living, low crime rates, and expanding public school system.

##### Regional Six-County Planning

Bedford County’s willingness to work with the adjacent counties on regional planning is relatively unprecedented for many jurisdictional entities, whether it be a rural or urban environment. Beyond the quality of the plan itself, the collaborative effort is symbolic of a region that is looking to grow responsibly and collectively.



##### Highway Accessibility

There is no question Bedford County is well positioned from a highway accessibility standpoint, which is evident from its presence of large-scale distribution centers including REI & Wal-Mart. Generally speaking, this road and highway network will continue to be a strength for business’ ability to improve their supply-chain and speed to market performance. One threat of the highways is that, as much as the networks can move goods and services, they can also be utilized for outbound commuters.



## IV. STRATEGIC ADVANTAGES ASSESSMENT

### SWOT ANALYSIS EVALUATION

#### Technical/Career Center Enrollment

The County is home to Bedford County Technical Center (300 students) and Allegheny College of Maryland - Everett (350 students), which provides degrees and coursework in technical trades. There are a number of other educational institutions within a one hour drive of Bedford, with Penn State University just beyond. These resources are viewed as a definite strength given labor shortages in skilled trades and can serve as recruiting grounds for employers looking for workforce. Furthermore, it is important to recognize the contributions from the local workforce development organizations including Southern Alleghenies Workforce Development Board and Goodwill Industries in terms of addressing unemployment and underemployment issues with a focus on mobility. Additionally, Bedford County is also within the funding footprint of Ben Franklin Technology Partners, which serves Central & Northern Pennsylvania. The organization has provided startup funding and business support services to tech-based startups and small manufacturers located in these areas.



#### Proximity to Pittsburgh & Washington D.C.

Bedford County is just 1 hour and 30 minutes from Pittsburgh and only 2 hours and 30 minutes from Washington D.C. While this distance is not within close enough proximity to become an outlying suburb for these cities, it does provide a significant talent pool from which future employers might be able to attract workforce from, provided other conditions are sufficient like housing and wages.

## WEAKNESSES

#### Lack of Available Industrial Real Estate

In the six-county region, there are a total of seven industrial buildings built after 1950 with 20,000 square feet or more of available space to lease. Many of the buildings are either too old or too large for a large portion of small- to mid-size warehousing or manufacturing users. Five of the seven buildings are for users requiring 100,000 square feet, three of which are 200,000 square feet plus. Backfilling such vacancy would require a very large company to come to Bedford County. These large buildings can often be difficult to divide due to configuration, in that they were typically built for a specific owner-user. The remaining two buildings have 25,000 and 28,000 square feet, neither of which are in Bedford. Of those two buildings, one warehouse building is functionally obsolescent having been built in 1958 and the other is a former auction house. Ultimately, this limits the regional inventory of industrial buildings ranging from 25,000 to 75,000 square feet to virtually zero.

Note: The paragraph above is drawn from a later section "Consideration for an Industrial Speculative Building.

#### Broadband/Internet Access

While addressed in a prior section, it is important to reiterate the requirement of high-speed and widespread Internet access, not only for prospective and current employers, but citizens of Bedford County. In today's information and knowledge-based economy, Internet is essentially no more or less important than electricity. The Team is aware of the efforts of a task force to enhance this coverage around the region and emphasizes the importance.



## IV. STRATEGIC ADVANTAGES ASSESSMENT

### SWOT ANALYSIS EVALUATION

#### Public Transportation

In more urban communities, lack of public transportation would be categorized under “Threats” in a SWOT analysis, however the Team finds it to be more of a general weakness in this case. The reason for this is public transportation systems are extremely costly to operate and generally, in most cases, do not become a revenue generator for municipalities or regions. Bedford County’s lack of transit is simply a function of its rural nature. On a case-by-case basis, it might be beneficial to consider park and rides or some form of ride-sharing for larger employers whose wages might not necessarily (or initially) support the cost of owning a vehicle for commuting.



#### Multi-Family Rental Housing

The housing topic will be explored later in the report. In general, there does not seem to be adequate multi-family housing stock that could support any employers of significant size to attract workforce. This is particularly true for younger generations (which Bedford is also seeking to attract), as they may not seek home ownership (both preferentially and temporally) nor have the initial capital for a down-payment. While this assessment was not focused solely on housing, the Team does find the quantity and quality of available housing to be an issue that will need to be addressed at a certain point. This could be elevated to a “Threat” provided there is tangible evidence that Bedford County has lost attraction projects because of housing-related issues.



## IV. STRATEGIC ADVANTAGES ASSESSMENT

### SWOT ANALYSIS EVALUATION

#### OPPORTUNITIES

##### **Birth Center**

More than any other topic in the SWOT analysis, this particular category belongs in three out of four categories as it represents a Threat, Opportunity, and a Weakness. Specifically, as Bedford County has an aging population, the attraction of younger generations, specifically families will be critical. Without a birthing center, it may challenge perceptions of attracting younger populations to Bedford County. Therefore, the absence of a birthing center is both a threat and weakness. The reason that it is an opportunity is because the County could seek to attract private investment by engaging a healthcare partner, which will ultimately support employment of well-paying jobs.



##### **Consolidation of Incorporated Entities/Shared Services**

Many communities have explored this concept of consolidating jurisdictional entities, however the Team recognizes this is rarely an outcome that works for a host of reasons, some of which are historical context, financial, and geographical/topographical. That stated, while many stakeholders did express this as a challenge, the Team recommends using the broader concept only to explore cost-saving measures among the townships and other entities. Realized savings from the program could then be leveraged for bolstering attraction efforts like marketing.





## IV. STRATEGIC ADVANTAGES ASSESSMENT

### SWOT ANALYSIS EVALUATION

#### THREATS

##### Flat Population Growth

In addition to the flat population growth Bedford County is experiencing, there is not replacement factor for the aging population, which indicates the population will not always be flat, rather it will decline. This poses a challenge for the current employers of Bedford County, but may also hinder business attraction efforts. However, it is difficult to prepare and train workforce if the workers are not available, especially as the aging workforce retires.

##### 50% Outbound Commuters

As much as Bedford County's highway accessibility is a strength, it can also provide a network that makes it easier or more cost-effective to seek out opportunities in other areas, whether it be for a lack of them or an income-based decision. In general this is a rather high percentage, as it indicates 50% of the residents are employed outside of the County. There will always be counter and cross-commute patterns in any regional economy, however with business attraction successes, Bedford County should continue to aim to reduce this number.



##### Aging Community/Retirement Community Perceptions

With 22.5% of Bedford County's population in the 65 and older age cohort coupled with the birthing center challenge, the area's image may be misconstrued as an area that just wants to "grow old" rather than grow its base. While economic opportunities are the primary factor, refocusing branding and marketing efforts on what appeals to the Millennial and later Gen Z cohorts could be advantageous and merit exploring.

## V. REAL ESTATE CONDITIONS & ANALYTICS

### INDUSTRIAL & FLEX

#### INDUSTRIAL MARKET SUMMARY

The Bedford County industrial market has 3.5 million SF of inventory spanning just 46 buildings. Three of the 46 buildings account for approximately 1.8 million SF of the total inventory, or 51%. The “Big 3” are the distribution facilities for Wal-Mart, REI Outdoors, and the multi-tenant Bedford Manufacturing and Distribution Center. One other sizable project was completed in 2019 with the \$13 million investment in a 100,000 square foot renovation of the 270,000 square foot building in Saxton for a medical cannabis growing operation called Green Leaf Medical. The remaining 174,000 square feet remains vacant. This building is not reflected in the market statistics as it is not actively listed on the CoStar commercial real estate database. There are virtually no buildings over 8,000 SF for sale in Bedford County and only two for sale below that threshold. The tables below and on the following page provide a snapshot of the industrial market inventory at the end of Q1 2019.



#### INDUSTRIAL MARKET INVENTORY SNAPSHOT

Inventory	Current
Total Existing Buildings	46
Total Existing Square Feet	3,531,864
12-Month Construction Starts	0
Under Construction	0
12-Month Deliveries	0

#### INDUSTRIAL MARKET LEASING SNAPSHOT

Availability	Current	5-Year Average
Rent Per Square Foot	\$3.28	\$2.95
Vacancy Rate	3.2%	4.2%
Vacant Square Feet	113,226	148,282
Sublet Square Feet	0	0
Months on Market	49.5	28.8



## V. REAL ESTATE CONDITIONS & ANALYTICS

### INDUSTRIAL & FLEX

#### INDUSTRIAL MARKET HIGHLIGHTS

There are several indicators from looking at the industrial real estate inventory:

- Asking rental rates have increased to \$3.28/SF from \$2.38/SF since 2016. Rental rates are now at the highest in a decade. Vacancy rates have decreased from 8% to below 4% over the same time period.
- There is only one vacant building available for lease, according to the leading commercial real estate database CoStar. In other words, a property not on this database is unlikely to be located by real estate professionals and site selectors. The property is a well-located, well-maintained, 1960's distribution facility at 172 Friendship Village Road.
- More than one half of Bedford County's industrial inventory was built prior to 1950; 24 out of the 46 buildings registered in the commercial database. This also suggests the number of buildings in the County may be lower as some will be functionally obsolescent.
- There are no buildings currently in the commercial real estate database that are under construction. In fact, there is only one building available for lease and the inventory is aging, underscores why Bedford County is exploring a speculative development building. This concept is explored later in the report in conjunction with the project leads that BCDA fielded from prospect companies through statewide economic development efforts.



## IV. REAL ESTATE CONDITIONS & ANALYTICS

### HOUSING CHARACTERISTICS

#### HOUSING SUMMARY

A balance of available and quality housing can be important in the context of economic development and attraction efforts. In other words, “Where will people live?” when they arrive in Bedford County. The following data is provided for a snapshot of the County’s housing stock. According to the most recent 5-Year Estimates by the U.S. Census’ American Community Survey, Bedford is one of the thirty-one counties that experienced significant increases in vacant housing units.

Moreover, there are 10 counties that experienced an increase in vacancy over 2.5% and Bedford County is one of them. Moreover, 81% of Bedford County’s housing units are occupied. The median estimated market rate rent across Bedford County is \$658 per month according to U.S. Census Bureau. 65% of all units range between \$500 and \$999, or 2,136 units. However, from desktop research, there are no units available in traditional apartment buildings.



The following table provides a snapshot of the County’s most recent housing statistics for consideration:

Housing Quantity	# of Units	% of Total
Total - All Types	24,277	100%
Single-Family	18,703	77%
Two-Family	434	1.8%
3 - 9 Units	810	3.3%
10 - 19 Units	309	1.3%
20+ Units	339	1.4%
Mobile	3,672	15.1%



Year Built	# of Units	% of Total
2014 or later	153	0.6%
2010 to 2013	384	1.6%
2000 to 2009	2,129	8.8%
1990 to 1999	2,954	12.2%
1980 to 1989	2,997	12.3%
1970 to 1979	3,321	13.7%
1960 to 1969	2,188	9.0%
1950 to 1959	2,462	10.1%
1940 to 1949	1,022	4.2%
1939 to earlier	6,667	27.5%

## IV. REAL ESTATE CONDITIONS & ANALYTICS

### KEY DEVELOPMENT SITES

#### DEVELOPMENT SITES SUMMARY

Bedford County has very limited large sites available for commercial development ranging from 193 acres to three-acre lots. All but one of these sites are listed by BDCA, according to CoStar, the premier site selector and commercial real estate database. While this resource may not be exhaustive of all commercial sites, having all local opportunities on this website is critical for national exposure from the brokerage and site selector community who are conducting a preliminary/high-level availability searches. The largest, high-profile development opportunity is the +/- 80-acre Bedford County Business Park II. The site offers convenient highway accessibility, on-site utilities, extensive due diligence documentation, and incentives opportunities.



#### BEDFORD COUNTY BUSINESS PARK II

The Bedford County Business Park II consists of 143 acres and provides turn-key sites geared to large distribution centers and manufacturers. The park features all utilities and is less than two miles from Pennsylvania Turnpike (I-70/76) and less than one mile from the I-99 Cessna interchange and the Bedford County Airport. The first anchor tenant of the Park is Recreational Equipment, Inc. (REI), one the nation's premiere outfitters of high performance, outdoor products. In 2007, REI committed to locating its 535,000 square foot east coast distribution facility on 45 acres. BCDA has facilitated significant due diligence for the site, which further solidified it has the most turn-key development opportunity in Bedford County and beyond. BCDA has facilitated significant due diligence for the site, which further solidified it has the most turn-key development opportunity in Bedford County and beyond.

- **Zoning** - No zoning within the municipality; park covenants are in place
- **Preliminary Land Development** - Completed in July 2012 with no expiration date; site has development approval for 780,000 square foot building area with large parking areas
- **National Pollutant Discharge Elimination System (NPDES)** - Completed to December 2017 and currently being extended
- **Phase I Environmental Assessment** - Completed in 2016 with No Further Action Letter
- **Highway Occupancy Permit** - This site entrance is located off an existing township road (Country Ridge Road) with no known limitations or daily trip counts
- **Historical & Archaeological Survey** - Completed in June 2012 with no findings present
- **Wetland Review** - Completed and permitted for wetland mitigation by DEP

## IV. REAL ESTATE CONDITIONS & ANALYTICS

### BEDFORD BUSINESS PARK II

#### 84.62 acres on 2 lots • Bedford County Business Park II

Zoning: Industrial

Innovation Dr.  
Bedford, PA 15522

- Lot 2: 2.79 Acres
- Lot 4: 81.83 Acres

Price/Acre: \$55,000

Notes: Designated Keystone Opportunity Zone  
Owner: Bedford County Development Association





## IV. REAL ESTATE CONDITIONS & ANALYTICS

### EVERETT BUSINESS PARK

#### 8.73 acres • Everett Area Business Park

Zoning: Industrial

Industrial Dr.  
Everett, PA 15537

- Lot 1: 3.75 Acres
- Lot 2: 4.98 Acres

Price/Acre: \$16,000

Notes: Designated Keystone Opportunity Zone  
Owner: Bedford County Development Association



## IV. REAL ESTATE CONDITIONS & ANALYTICS

### BEDFORD COUNTY BUSINESS PARK I

#### 36.67 acres on 8 lots • Bedford County Business Park I

Zoning: Industrial

Innovation Dr.  
Bedford, PA 15522

- Lot 1: 3.52 Acres
- Lot 17: 4.18 Acres
- Lot 18: 3.24 Acres
- Lot 19: 3.75 Acres
- Lot 21: 5.04 Acres
- Lot 23: 5.05 Acres
- Lot 24: 5.01 Acres
- Lot 25: 6.88 Acres

Price/Acre: \$41,000

Notes: Designated Keystone Opportunity Zone  
Owner: Bedford County Development Association





## IV. REAL ESTATE CONDITIONS & ANALYTICS

### CONSIDERATION FOR SPECULATIVE INDUSTRIAL BUILDING

Since early 2016, BCDA has tracked potential attraction projects for Bedford County by indicating what type of inquiry/lead, whether the prospect was seeking vacant land or an existing building, and the size of such requirement. The information has been consolidated to provide a snapshot of the projects the County might have missed out on due to limited available real estate. Leveraging this data the County can better understand how to position itself for future attraction successes. Like any site selection project, there are a multitude of factors involved (workforce, accessibility, utilities, etc.), however the absence of real estate can be an instant eliminator from the site selection process. Please note, in consolidating the data, square footage and acreage requirements were expressed as ranges, therefore the Team averaged the low-end and high-end numbers into a single number for the analysis. There were two significant outliers on both the top and bottom end of the size spectrum for existing buildings and two on the top end for sites, so these were removed to provide a more insightful look at the most common opportunities that Bedford County should focus on.

The following snapshot outlines the results for **existing buildings**:

- The top two outliers were 1.2 million and 750,000 square feet buildings, while the bottom two were 5,000 and 10,000 square feet.
- The total number of requests as of February 2019 totaled 37 since March 2016 (including the outliers).
- The average size building requested was 178,794 square feet and the median size was 98,250 square feet (excluding outliers).

The following snapshot outlines the results for **sites**:

- The top two outliers were a 1,500-acre site and a 1,250-acre site; four inquiries did not have a size noted, but were for the Bedford County Business Park.
- The total number of requests as of February 2019 totaled 18 since February 2016 (including the outliers).
- The average size site requested was 150 acres and the median size was 58 acres (excluding outliers).

The table below breakdown the three entities funneling where the leads for Bedford County were sourced from:

Lead Source	Building Leads	Site Leads
Governor's Action Team (GAT)	23	12
Executive Pulse (EP)	7	4
Office of International Business Development (OIBD)	7	2

## IV. REAL ESTATE CONDITIONS & ANALYTICS

### CONSIDERATION FOR SPECULATIVE INDUSTRIAL BUILDING

In conjunction with exploring the project leads BCDA received, the Team also combined the market statistics data from above to provide a more comprehensive analysis on whether a speculative building should be pursued. The Team is aware that Bedford County economic development professionals and stakeholders are already in the process of exploring a speculative building in the County. Second, the Team's national experience suggests there is a surplus of functionally obsolescent real estate and the case for building speculative product is strengthening in many markets across the United States as productive inventory vacancy diminishes. To assess and make a data-driven recommendation, this section of the report looks primarily at the availability of industrial real estate in Bedford County with an emphasis on building age and vacancy rates.



From a high-level perspective, the broader Bedford County industrial market continues to remain strong, however there is no speculative construction underway or proposed to meet that demand. Industrial real estate in the adjacent counties is also included in the analysis. The counties included align with those in the regional Alleghenies Ahead Comprehensive Plan; including Blair, Cambria, Fulton, Huntingdon, and Somerset, PA. Note the statistics of these areas are not included in the real estate statistics in prior sections.

The commercial real estate database indicates there is only one 50,000 square foot building proposed in Bellwood (north of Altoona, PA), however only for build-to-suit purposes, which is different than "speculative." Specifically, this proposed project is on the former site of DeGol Lumberyard off of Old U.S. 220. From that perspective alone, it is clear there is no competition should a speculative building be considered. However, to broaden that perspective, the Team also looked at what properties are for sale and for lease within the region to fully capture available inventory.

In the six-county region, there are a total of seven industrial buildings built after 1950 with 20,000 square feet or more of available space to lease. Many of the buildings are either too old or too large for a large portion of small- to mid-size warehousing or manufacturing users. Five of the seven buildings are for users requiring 100,000 square feet, three of which are 200,000 square feet plus. Backfilling such vacancy would require a very large company to come to Bedford County. These large buildings can often be difficult to divide due to configuration, in that they were typically built for a specific owner-user. The remaining two buildings have 25,000 and 28,000 square feet, neither of which are in Bedford. Of those two buildings, one warehouse building is functionally obsolescent having been built in 1958 and the other is a former auction house. Ultimately, this limits the regional inventory of industrial buildings ranging from 25,000 to 75,000 square feet to virtually zero.

(continued...)

## IV. REAL ESTATE CONDITIONS & ANALYTICS

### CONSIDERATION FOR SPECULATIVE INDUSTRIAL BUILDING

(continued...)

Based on the data above, it appears Bedford County is well positioned to build a speculative building in the size range of at least 20,000 to 25,000 square feet without any major regional competition. It should be noted that there is only one unique 42,000 square foot warehouse building for sale that is not for lease from the subset buildings above. This building is in Somerset and should not be considered conventional warehouse product due to its quasi-retail use with second story offices. The available buildings will be provided in an appendix.

Narrowing this analysis back to Bedford County, here is a quick snapshot and reiteration of the prior market statistics. Vacancy is tight for newer industrial real estate across the Bedford County market with an overall vacancy rate of 3.2% for all buildings without filtering for age or size. Asking rents for industrial space have risen back to their 2009 10-year high sitting at around \$3.28 per square foot (NNN). The rates bottomed at \$2.38 per square foot (NNN) in 2011 and remained around \$2.50 per square foot until sharply climbing from 2016 to present. In summary, Bedford County's vacancy rate is in the single digits and rental rates have climbed back to their highest levels in a decade.



In summary, these current market conditions create a compelling case for a speculative industrial building in a well-located area of Bedford County. First, the recent return to higher rents makes the case for underwriting new construction for builders. Second, there is little to no new modern, industrial product in throughout the County and the six-county region. While distribution activity along the I-99 corridor north of Bedford has brought tangible economic benefit and showcased the superior highway connectivity to regional markets, it does appear a more conventional warehousing and/or modern manufacturing facility can be absorbed. This is also evidenced from the consolidation and summarization of the lead-tracking activity that BCDA has provided. Additionally, new non-distribution product can drive higher employment and create additional tax revenues for the County.

With that said, the Team specifically recommends further exploration of delivering a 20,000-25,000 square foot building with 32' clear heights. The Team also believes that the market could absorb a larger building. The higher end of the range brings more economy of scale and could be multi-tenanted, if needed. The building construction should be flexible such that it can be adapted for warehouse, distribution, or manufacturing users. The proposed site should be in close proximity to utilities and would ideally have the ability to expand over the longer term.

Source: CoStar Group 2019

## V. ASSESSING THE DEMAND FOR JOBS

In order to examine labor demand and training needs for new hires in Bedford County the Team used Burning Glass Labor Insight. These data are based on web scraping job websites, whether directly at the various companies' sites or third-party job boards. These tables and figures are based on job postings are all from 2018. These postings do not represent all the hiring in Bedford County. According to the US Census Quarterly Workforce Indicators there were 4,700 new hires in the county first half of 2018 while Burning Glass discovered 1,369 job postings for the entire year.

The chart on the following page shows the educational requirement of job postings in Bedford County in 2018, from the job posting data and by using an estimate based on a national survey of hiring managers. The Bureau of Labor Statistics (BLS) evaluates occupations to create an estimated minimum education needed for a new hire in each occupation. The Burning Glass occupational totals for Bedford County was analyzed using this national minimum standard education to estimate what the potential education requirements were for the postings and then compared to the stated educational requirement in the posting itself. More than half of the postings did not list a specific educational requirement. High school or vocational training is the largest posted educational requirement according to both Burning Glass and the BLS. Jobs requiring at least a bachelor's degree are more represented based on national data, rather than Burning Glass. It is possible that some postings for certain occupations, such as registered nurses or engineers, assume a potential applicant will know the required level of education.

Tables on Page 37 & 38 show the top postings for jobs in the "knowledge economy," requiring at least a bachelor's degree, and "middle skill" jobs, which require an associate's degree, post-secondary certificate or at least moderate-term on the job training (OJT). The tables contain job posting totals from 2018, the minimum education and training required for the job, whether there are local training institutions for these occupations, and the annual earnings distribution. Note that the earnings data come from the BLS Occupational Employment Statistics (OES), which produce earnings estimates by metropolitan statistical area, the nearest of which is Altoona. The earnings data are suppressed for some occupations and may not fully reflect Bedford County, but are reasonable approximations.

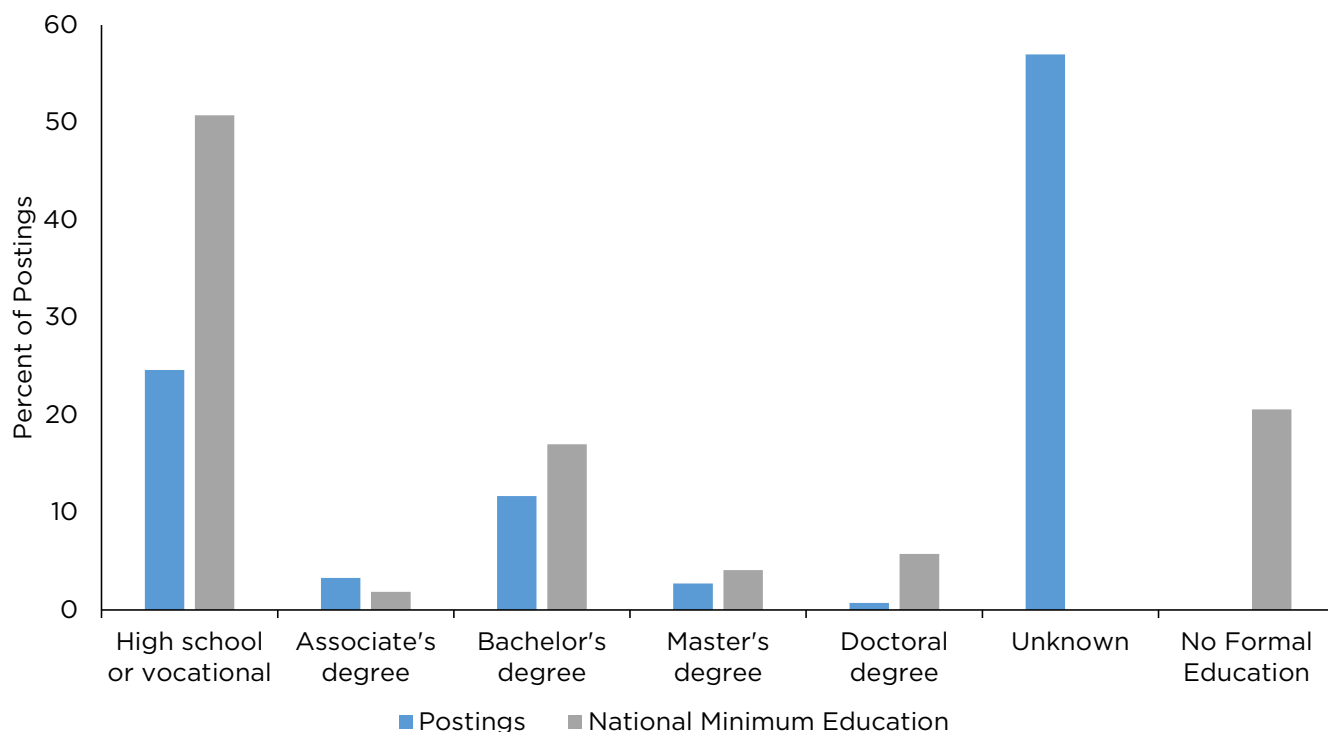
Top knowledge economy jobs in the area are heavy on the medical field, with Registered Nurses at the top with more than triple the amount of the next occupation. Training options are limited in the nearby area for knowledge jobs. A bachelor's degree is available for nursing at Mount Aloysius College, University of Pittsburgh Johnstown and Penn State Altoona, and the nearby community colleges have various types of coursework for nursing programs. However, for other knowledge jobs residents may have to go elsewhere. Some engineering majors are offered at University of Pittsburgh Johnstown and Penn State Altoona, but nothing for commercial and industrial design. Limited graduate degrees are offered by nearby post-secondary institutions, such as a Master of Social Work and Master of Business Administration.

## V. ASSESSING THE DEMAND FOR JOBS

Where earnings data are available, knowledge economy jobs pay relatively well in the area. Median annual earnings range from \$45,560 to \$99,030.

Middle skill jobs include medical, services and production occupations. These jobs require at least some sort of training after high school. These jobs have a variety of training paths such as an associate's degree for industrial engineer technicians or a certificate for a heavy truck drivers or moderate OJT (meaning more than one month and less than one year) for aircraft structure assemblers. Some of these occupations are labeled NA (Not Applicable) in the table under training. These occupations may not require post-secondary education, though programs are sometimes offered at local community college, including culinary arts and welding. Generally, these occupations have lower starting pay, but have a reasonable earning potential at the median. Nursing assistant positions are in demand, and while there are several options for advanced nursing training, Allegheny College of Maryland is the only area that offers the program, though not at the Bedford or Somerset campuses.

**Educational Requirements of Job Postings, 2018**



## V. ASSESSING THE DEMAND FOR JOBS

### Top Postings, Middle Skills, 2018

Occupation	Postings	Education	Local Training	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
Heavy truck drivers	225	Certificate	Yes	\$24,300	\$33,620	\$41,890	\$52,160	\$61,130
Nursing assistants	30	Certificate	*	\$25,730	\$27,590	\$30,590	\$33,730	\$39,400
Licensed practical nurses	25	Certificate	Yes	\$32,670	\$35,220	\$39,380	\$46,060	\$50,340
Sales representatives, wholesale and mfg.	19	Moderate OJT	NA	\$28,180	\$33,890	\$43,940	\$62,680	\$90,160
Cooks, restaurant	17	Moderate OJT	Yes	\$16,810	\$18,760	\$21,630	\$24,210	\$28,570
Maintenance and repair workers	12	Moderate OJT	NA	\$18,600	\$23,560	\$33,350	\$42,050	\$52,010
Welders, cutters, solderers, and brazers	12	Moderate OJT	Yes	\$27,290	\$31,120	\$36,250	\$43,370	\$51,250
Production workers, all other	12	Moderate OJT	NA					
Insurance sales agents	7	Moderate OJT	NA					
Aircraft structure, surfaces, assemblers	7	Moderate OJT	NA					
Industrial engineering technicians	6	Associates	Yes					
Health technologists and technicians	6	Certificate	Yes	\$35,800	\$50,100	\$55,540	\$60,450	\$87,920
Carpenters	6	Apprenticeship	NA	\$27,920	\$31,550	\$37,620	\$51,340	\$58,100
Team assemblers	6	Certificate	NA					

Note: For blank cells in the table, wage data are not available for these occupations.

Source: Burning Glass Labor Insight and Bureau of Labor Statistics, Employment Projections, Occupational Employment Statistics

\*Offered by Allegheny College of Maryland, but not at the Bedford or Somerset sites



## V. ASSESSING THE DEMAND FOR JOBS

### Top Postings, Knowledge Economy 2018

Occupation	Postings	Education	Local Training	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
Registered Nurses	89	Bachelor's	Yes	\$49,260	\$55,030	\$62,040	\$71,800	\$79,360
Obstetricians and gynecologists	24	Doctoral	No					
Physicians and surgeons	21	Doctoral	No	\$139,540	\$185,370			
Commercial and industrial designers	20	Bachelor's	No	\$26,410	\$32,590	\$45,580	\$60,750	\$72,510
General and operations managers	13	Bachelor's	Yes	\$42,820	\$60,640	\$86,140	\$121,910	\$167,720
Managers, all other	12	Bachelor's	Yes	\$65,980	\$85,120	\$99,030	\$127,520	\$150,880
Engineers, all other	12	Bachelor's	Yes					
Speech-language pathologists	12	Master's	No	\$56,690	\$65,290	\$76,030	\$97,600	\$134,450
Nurse practitioners	10	Master's	No					

Note: For blank cells in the table, wage data are not available for these occupations.

Source: Burning Glass Labor Insight and Bureau of Labor Statistics, Employment Projections, Occupational Employment Statistics

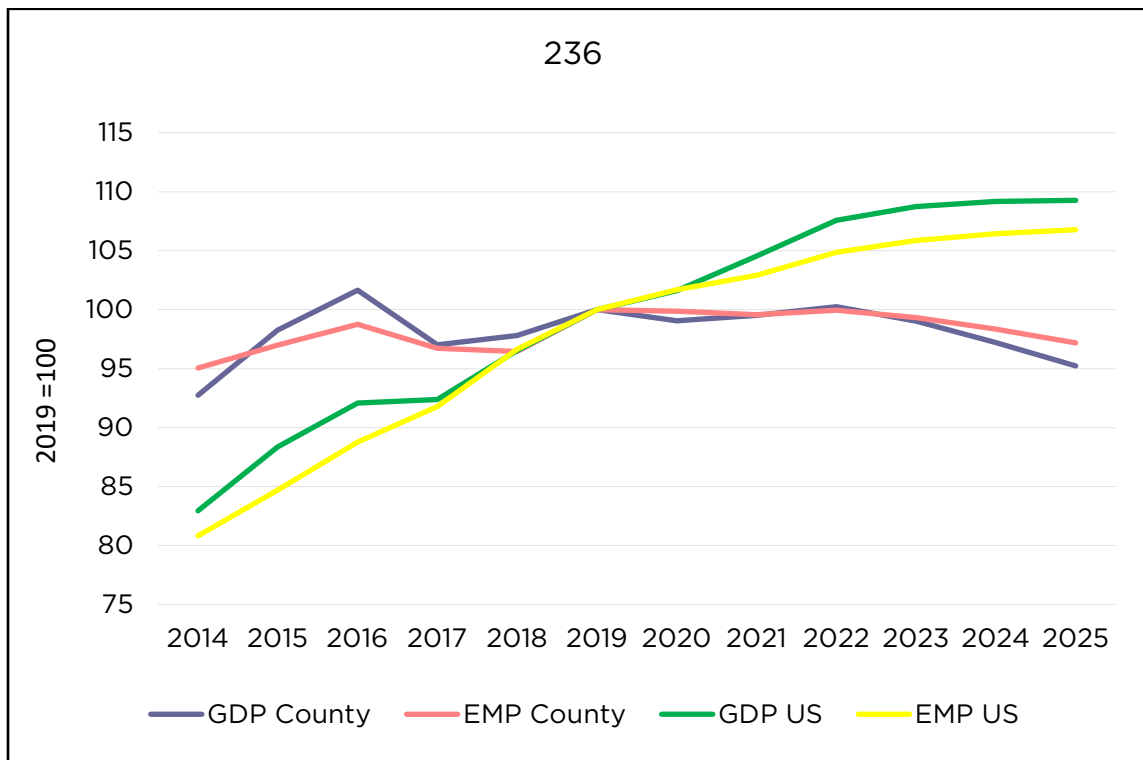
\*Offered by Allegheny College of Maryland, but not at the Bedford or Somerset sites

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

### NAICS 236: Construction of Buildings

“The Construction of Buildings subsector comprises establishments primarily responsible for the construction of buildings. The work performed may include new work, additions, alterations, or maintenance and repairs. The on-site assembly of precut, panelized, and prefabricated buildings and construction of temporary buildings are included in this subsector. Part or all of the production work for which the establishments in this subsector have responsibility may be subcontracted to other construction establishments--usually specialty trade contractors. Establishments in this subsector are classified based on the types of buildings they construct. This classification reflects variations in the requirements of the underlying production processes.”

Moody’s estimates that there are about 246 workers in this industry in 2019 in the county. Historically the industry has been relatively stable in the county and the forecast is for more of the same through 2025. Conversely, the national trends has been for growth in both employment and GDP, and that trend is projected to continue into 2025. Part of the ability for this industry to grow is based on county and *regional* trends for retention, expansion, and attraction of establishments and residents.

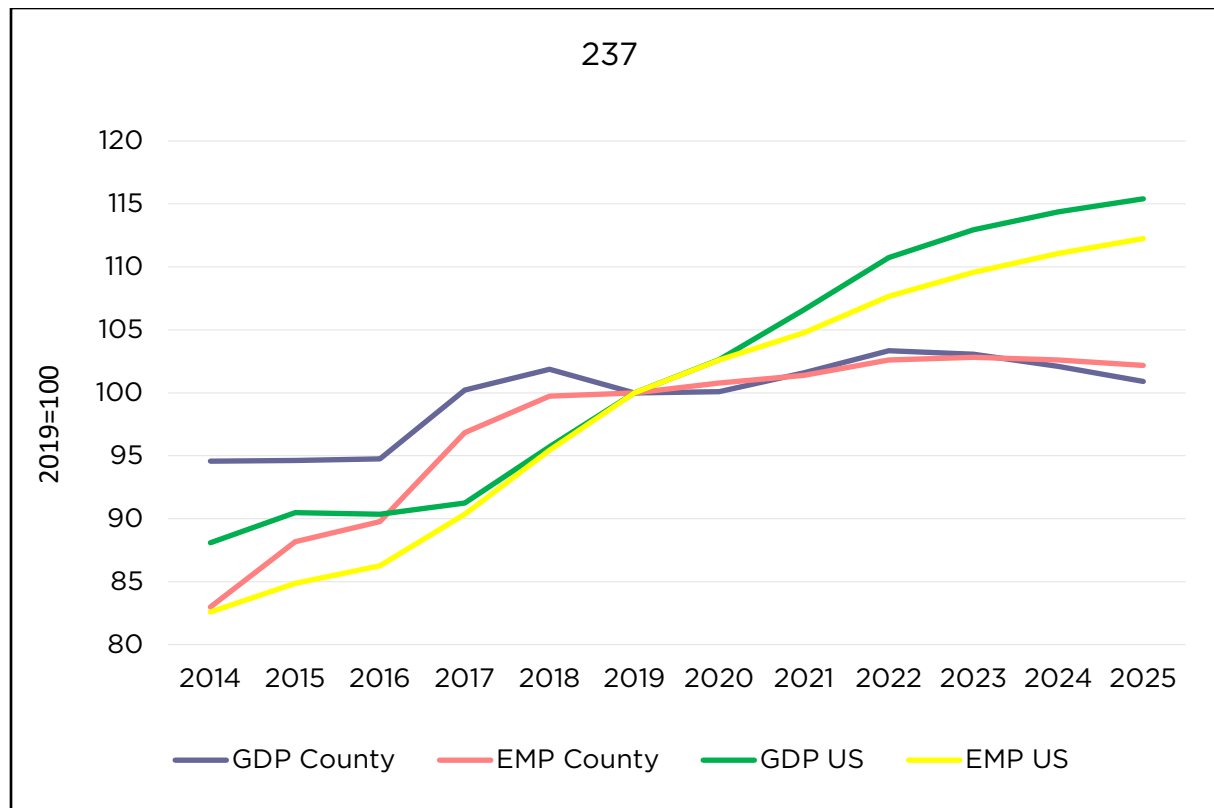


## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

### NAICS 327: Heavy and Civil Engineering Construction

“The Heavy and Civil Engineering Construction subsector comprises establishments whose primary activity is the construction of entire engineering projects (e.g., highways and dams), and specialty trade contractors, whose primary activity is the production of a specific component for such projects. Specialty trade contractors in the Heavy and Civil Engineering Construction subsector generally are performing activities that are specific to heavy and civil engineering construction projects and are not normally performed on buildings. The work performed may include new work, additions, alterations, or maintenance and repairs.”

In 2019, Moody’s estimates that there are about 750 workers in this industry, up from about 630 in 2014, with expectations to grow to about 770 by 2025. While real growth in GDP is forecast, it is slower growth than forecast for the national economy in both GDP and employment. As with the Construction of Buildings sector, a rate limiting factor in this industry is capital investment changes in both the county and regional economy over time.

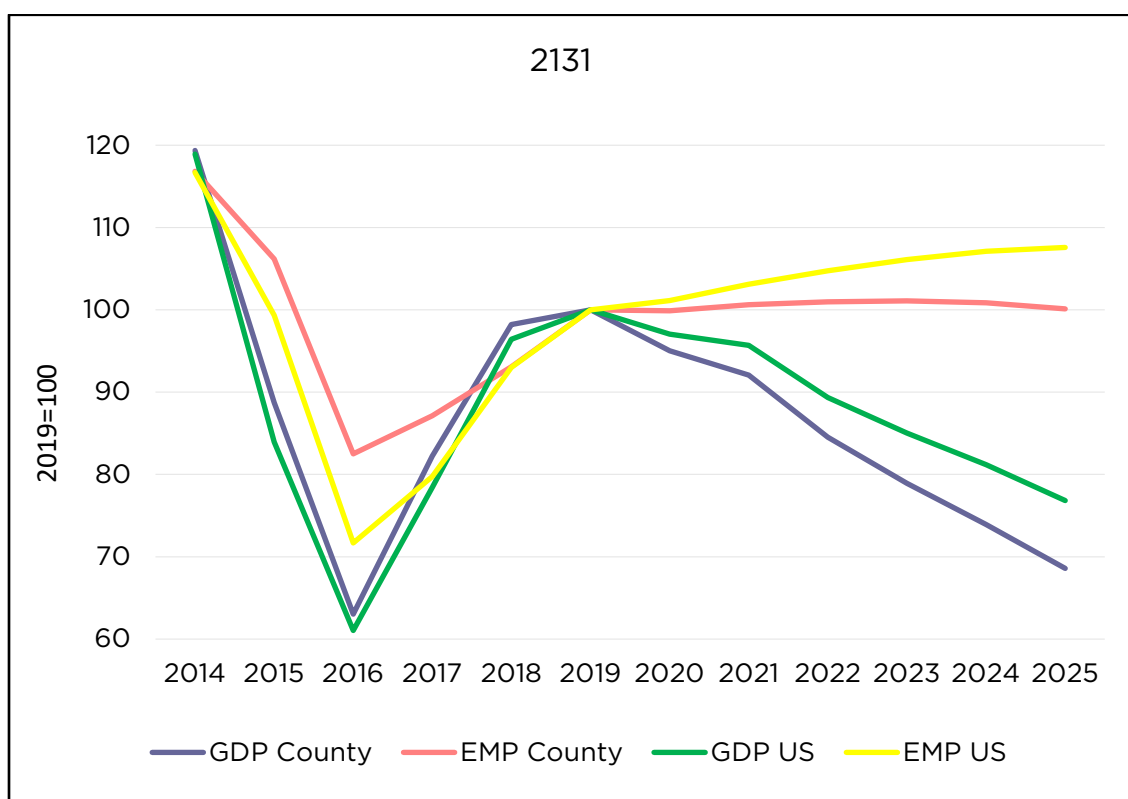


## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

### NAICS 2131: 2131 Support Activities for Mining

“This industry comprises establishments primarily engaged in providing support services, on a contract or fee basis, required for the mining and quarrying of minerals and for the extraction of oil and gas. Drilling, taking core samples, and making geological observations at prospective sites (except geophysical surveying and mapping) for minerals, on a contract or fee basis, are included in this industry.”

Moody’s estimates that there are about 115 workers in this industry in 2019 and they are forecasting a similar number in 2019. Interestingly, GDP, at both the local and national level are declining for this industry in the forecast period.

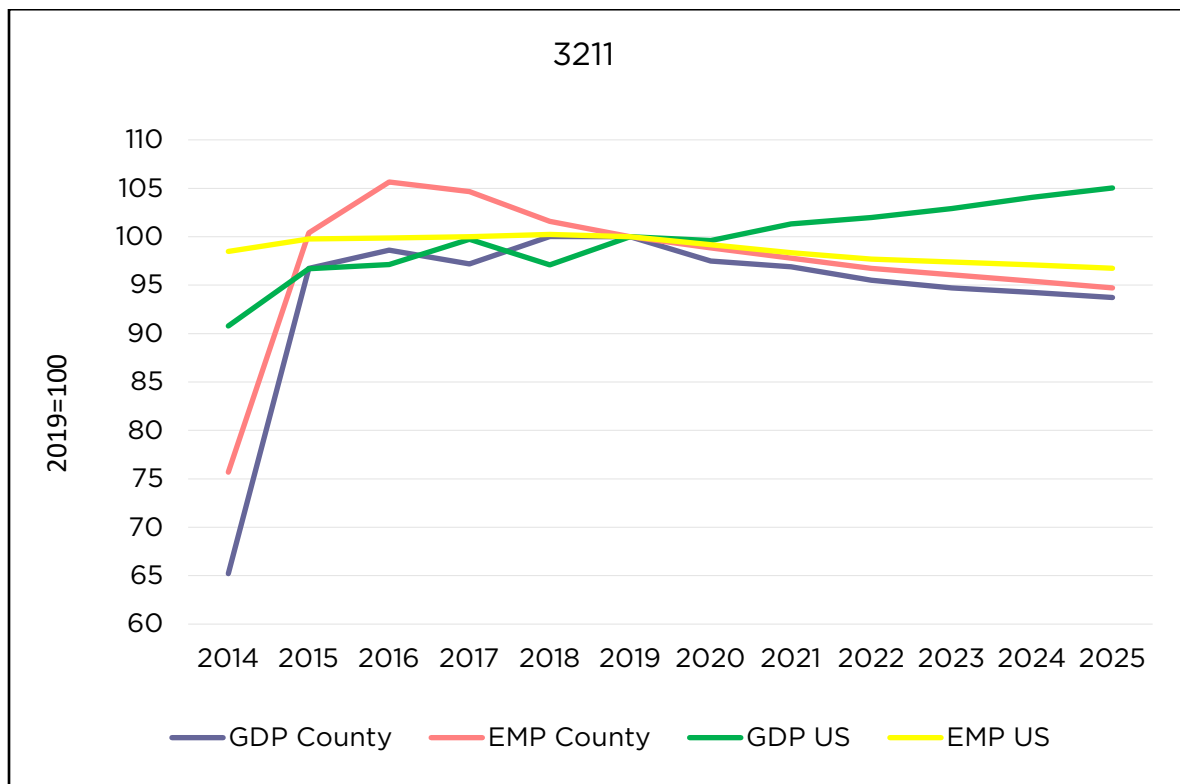


### NAICS 3211: Sawmills and Wood Preservation

“This industry comprises establishments primarily engaged in one or more of the following: (1) sawing dimension lumber, boards, beams, timber, poles, ties, shingles, shakes, siding, and wood chips from logs or bolts; (2) sawing round wood poles, pilings, and posts and treating them with preservatives; and (3) treating wood sawed, planed, or shaped in other establishments with creosote or other preservatives to prevent decay and to protect against fire and insects. Sawmills may plane the rough lumber that they make with a planing machine to achieve smoothness and uniformity of size.”

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

Coming out of the recession, this industry appears to have struggled in both the county as well as nationally, but had generally recovered by 2015 at both the local and national levels. Employment grew from 134 in 2014 to an estimated 175 by 2019, but is forecast to decline slightly to 166 by 2025. Bedford county, at least on the employment side, is forecast to follow the same trend as the national employment trend: moderate decline. But while the county is forecast to experience a corresponding slight decline in GDP, the national forecast is for an upward trend in output by 2025.



### NAICS 3261: Plastics Product Manufacturing

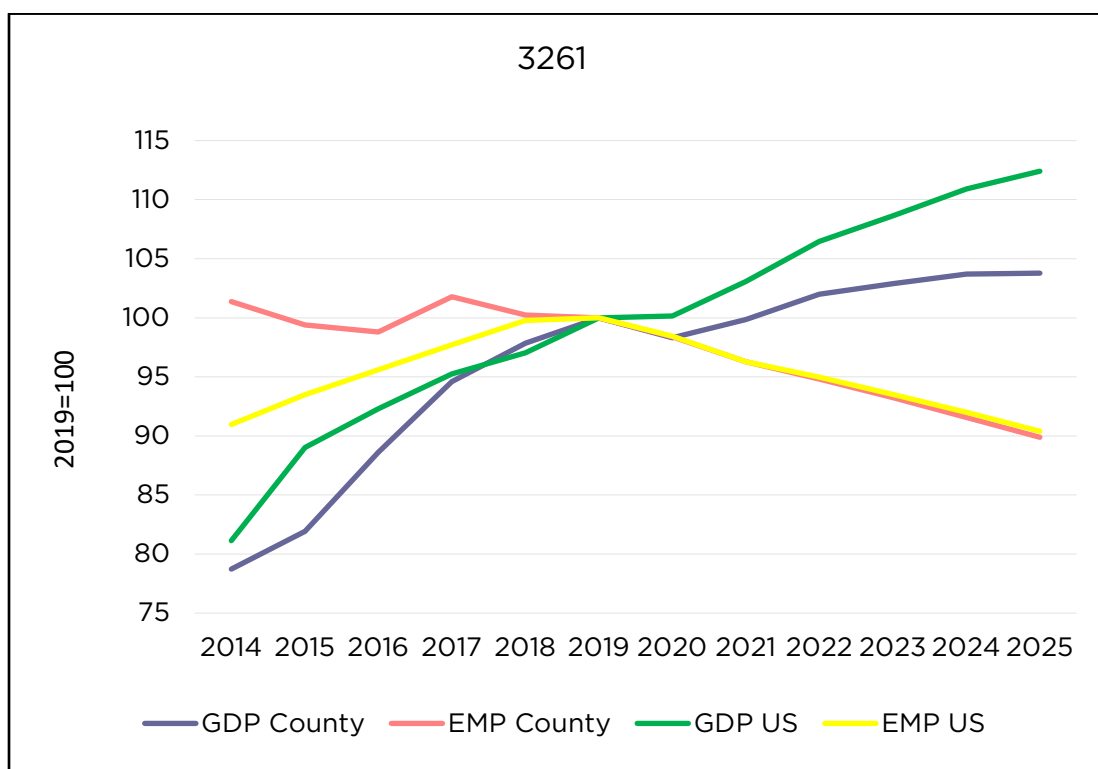
“This industry group comprises establishments primarily engaged in processing new or spent (i.e., recycled) plastics resins into intermediate or final products, using such processes as compression molding; extrusion molding; injection molding; blow molding; and casting. Within most of these industries, the production process is such that a wide variety of products can be made.”

The forecast for this industry suggests a trend in manufacturing that many experts are predicting, the move from Industry 2.0, to 3.0 and on to Industry 4.0. While Industry 2.0 involved significant manual labor in the production process, the movement to 3.0 uses automation or digitalization as part of their processes. Industry 4.0 uses components of 3.0, plus artificial intelligence (AI) the use of machines and products communicating (the Internet of Things-IoT) to increase both quality and productivity.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

As shown in the graph, GDP, both nationally and locally are predicted to increase in real dollars while employment is forecast to decline. This suggests that significant increases in productivity will occur through a combination of “smart” machines and workers trained to capitalize on those machines. The workers needed to support these production processes are often referred to as “middle skilled.” While these workers are often specialized and highly skilled, The training for these positions usually requires training at the high school level, such as career and technical education (CTE), through apprenticeships, and on to certifications and associate degrees often obtained through community colleges and technical centers. The middle skilled jobs don’t initially require a bachelor’s degree.

Current estimates of employment in Bedford county are about 208 workers with estimates of a decline to about 187 by 2025. Conversely GDP is forecast to grow by just under 4 percent by the end of the forecast period.



### NAICS 3262: Rubber Product Manufacturing

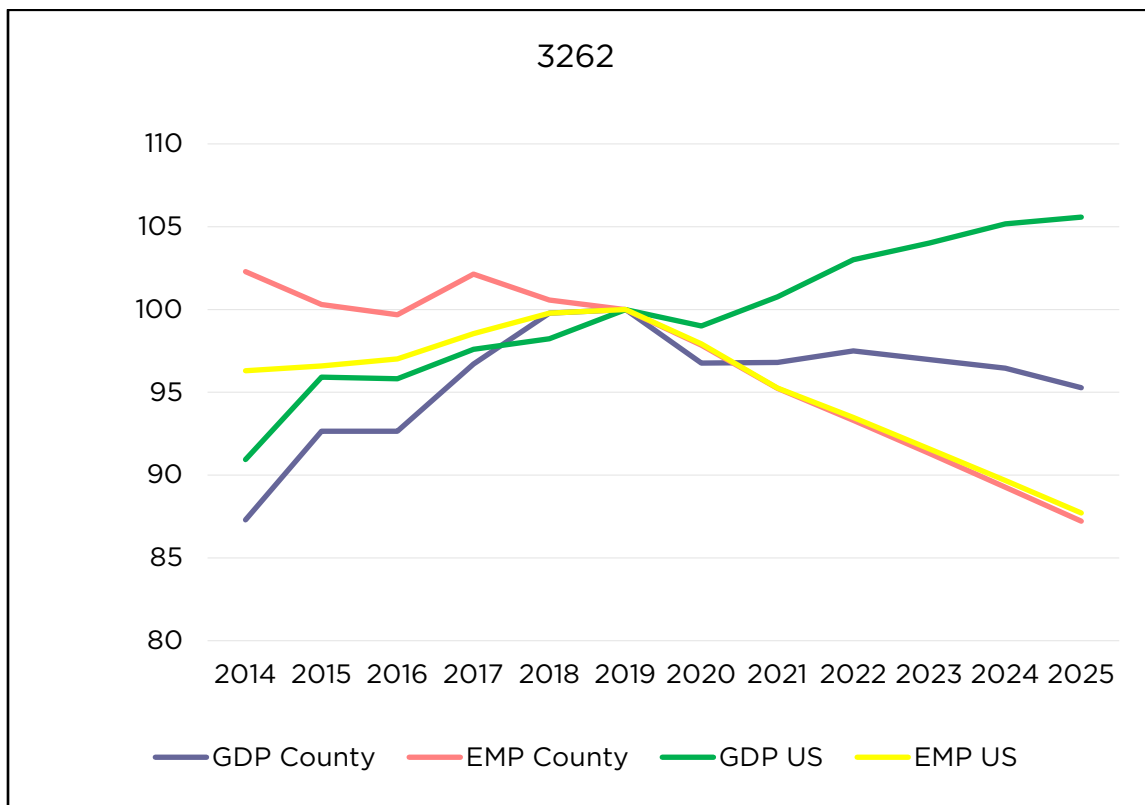
“This industry group comprises establishments primarily engaged in processing natural, synthetic, or reclaimed rubber materials into intermediate or final products using processes, such as vulcanizing, cementing, molding, extruding, and lathe-cutting.”

Rubber Products Manufacturing is forecast to behave very similarly to Plastics Product Manufacturing and for essentially the same reasons. The use of increased technology in the production process will allow each worker to produce more output. For Bedford county, the GDP will decline slightly over the forecast period, but employment will



## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

declined from 72 workers in 2019 to an estimate 63 in 2025. The implication of these trends in manufacturing, as well as some areas in services, will be that capital invested per worker will increase as will the necessary skills of workers. This is somewhat of a shift in economic development where the target was always jobs, to a condition that requires access to capital to both create as well as retain jobs. In addition to capital, firms in the region will need to embrace the shifts in how firms achieve productivity if that want to remain competitive and in business in the long run.

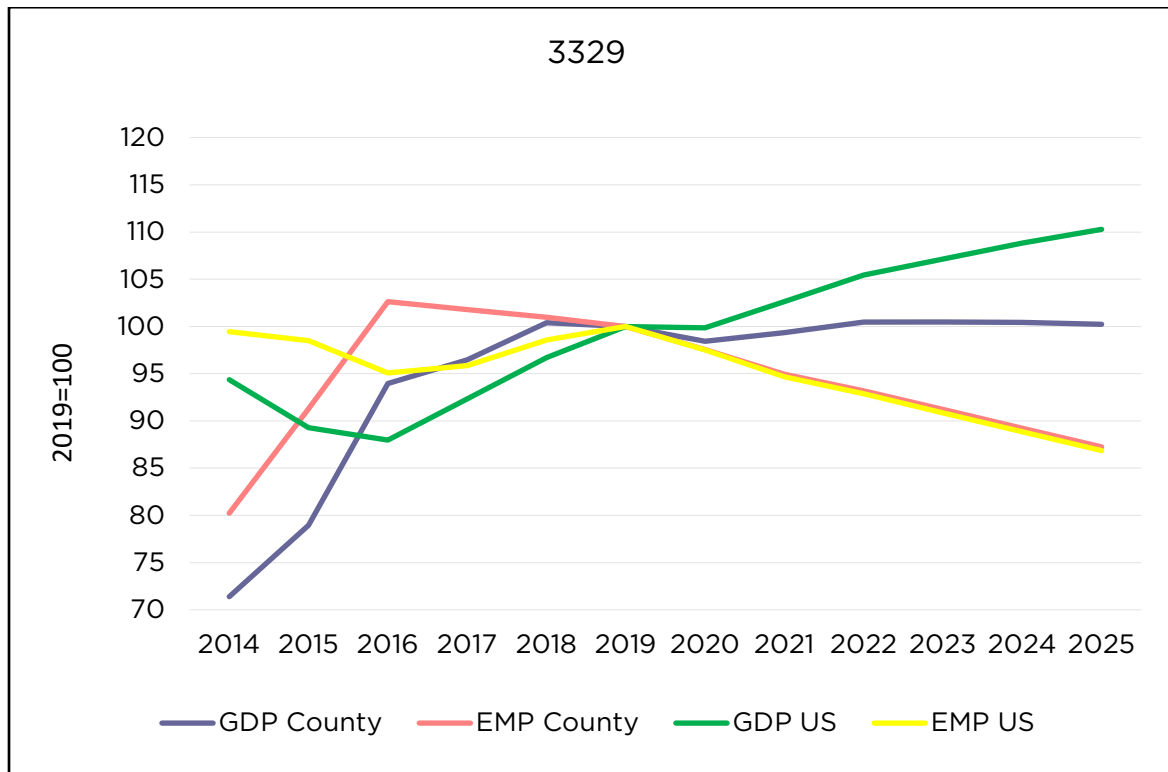


### NAICS 3329: Other Fabricated Metal Product Manufacturing

“This industry group comprises establishments primarily engaged in manufacturing fabricated metal products (except forgings and stampings, cutlery and hand tools, architectural and structural metals, boilers, tanks, shipping containers, hardware, spring and wire products, machine shop products, turned products, screws, and nuts and bolts).”

This industry currently employees about 79 workers and is forecast to lose about 10 workers in the forecast period. While the forecast real dollar output is stable, suggesting higher productivity per worker in the future, the relative growth curve for county GDP is less than that forecasted for the nation.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

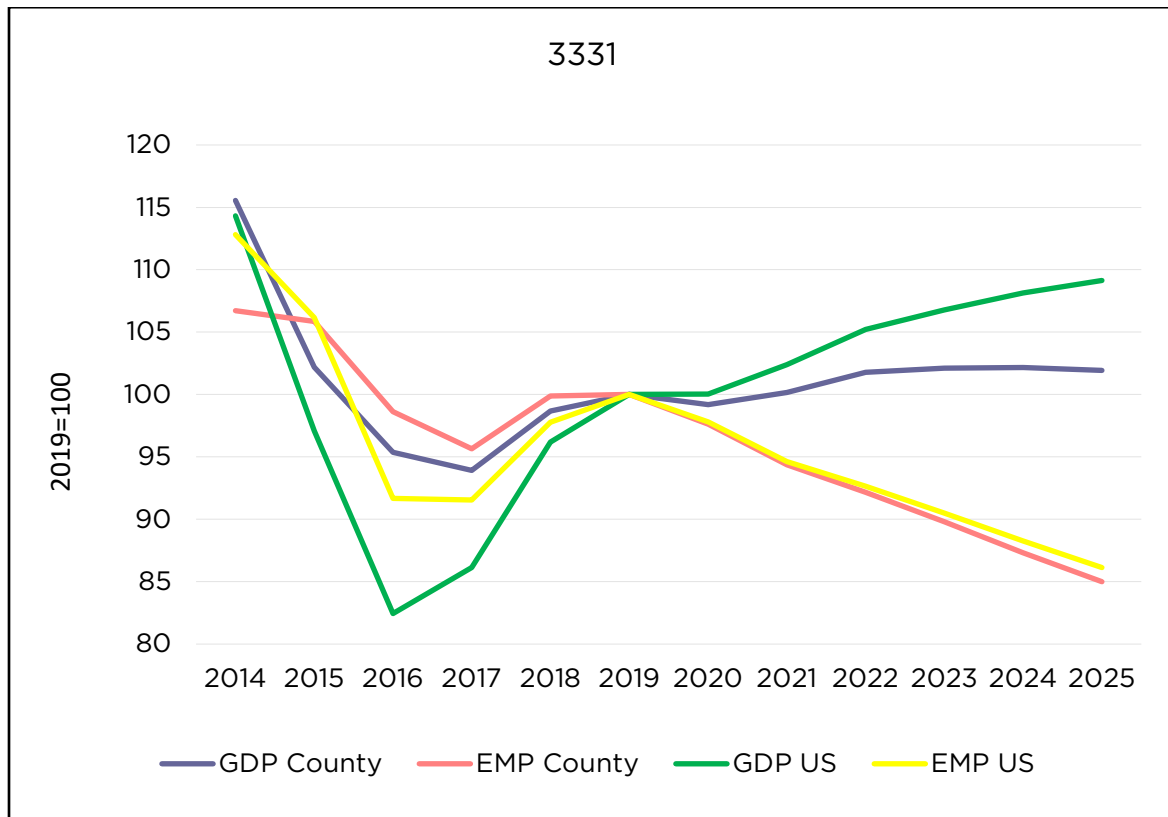


### NAICS 3331: Agriculture, Construction, and Mining Machinery Manufacturing

“This industry group comprises establishments primarily engaged in manufacturing one or more of the following: (1) farm machinery and equipment, power mowing equipment, and other powered home lawn and garden equipment; (2) construction machinery, surface mining machinery, and logging equipment; and (3) oil and gas field and underground mining machinery and equipment.”

This is, by Moody’s estimates a large employer in manufacturing in the county with an estimated 520 workers in the industry. While the forecast predicts a decline to 442 workers by 2025, there is some real growth in GDP, again suggesting higher levels of productivity. While the national trend in employment mirrors that of the county, GDP growth grows more slowly than the rate of change at the national level.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

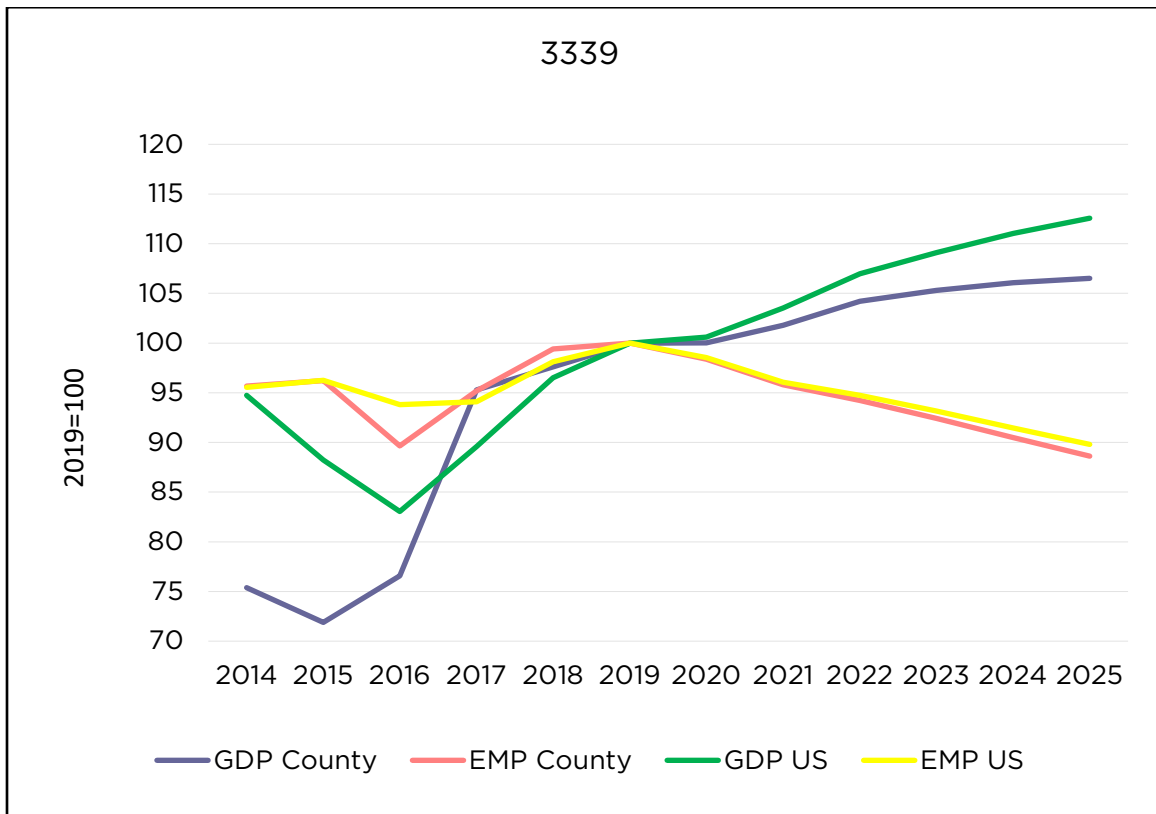


### NAICS 3339: Other General Purpose Machinery Manufacturing

“This industry group comprises establishments primarily engaged in manufacturing pumps and compressors, material handling equipment, and all other general purpose machinery (except ventilation, heating, air-conditioning, and commercial refrigeration equipment; metalworking machinery; and engines, turbines, and power transmission equipment).”

Much like other manufacturing industries, employment in this industry is predicted to decline through 2025 from 79 to an estimated 70 workers. But this industry shows a strong growth curve in real GDP in the forecast period. In the near term, growth in GDP nearly mirrors that of the nation, while in the out years of the forecast, the national rate exceeds that of the county. Real growth on GDP for the period 2019 to 2025 is about 2 percent while the national cumulative growth is close to 9 percent.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

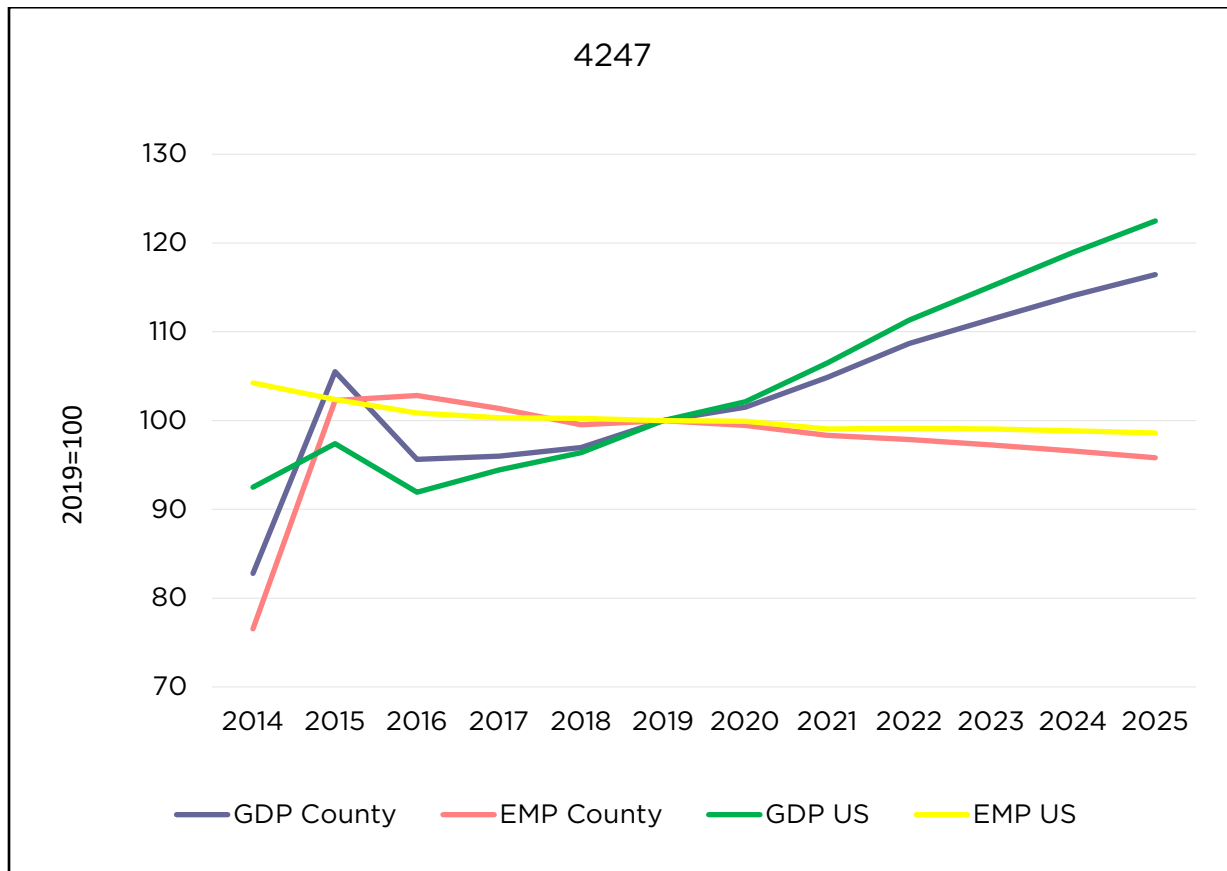


### NAICS 4247: Petroleum and Petroleum Products Merchant Wholesalers

This industry group comprises establishments primarily engaged in the merchant wholesale distribution of petroleum and petroleum products, including liquefied petroleum gas.

There is always a question about including “wholesale” industries in a target industry study. But then the unit of analysis is a county, and that employees and estimated 117 workers it may be reasonable to include the industry. Employment in this industry is forecast to be relatively stable and the growth curve in real GDP is strong and follows the national trend closely. Being a center for wholesale on a regional or multi-county basis can also maintain jobs as this industry is less likely than the preceding manufacturing industries to eliminate jobs due to technology.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY



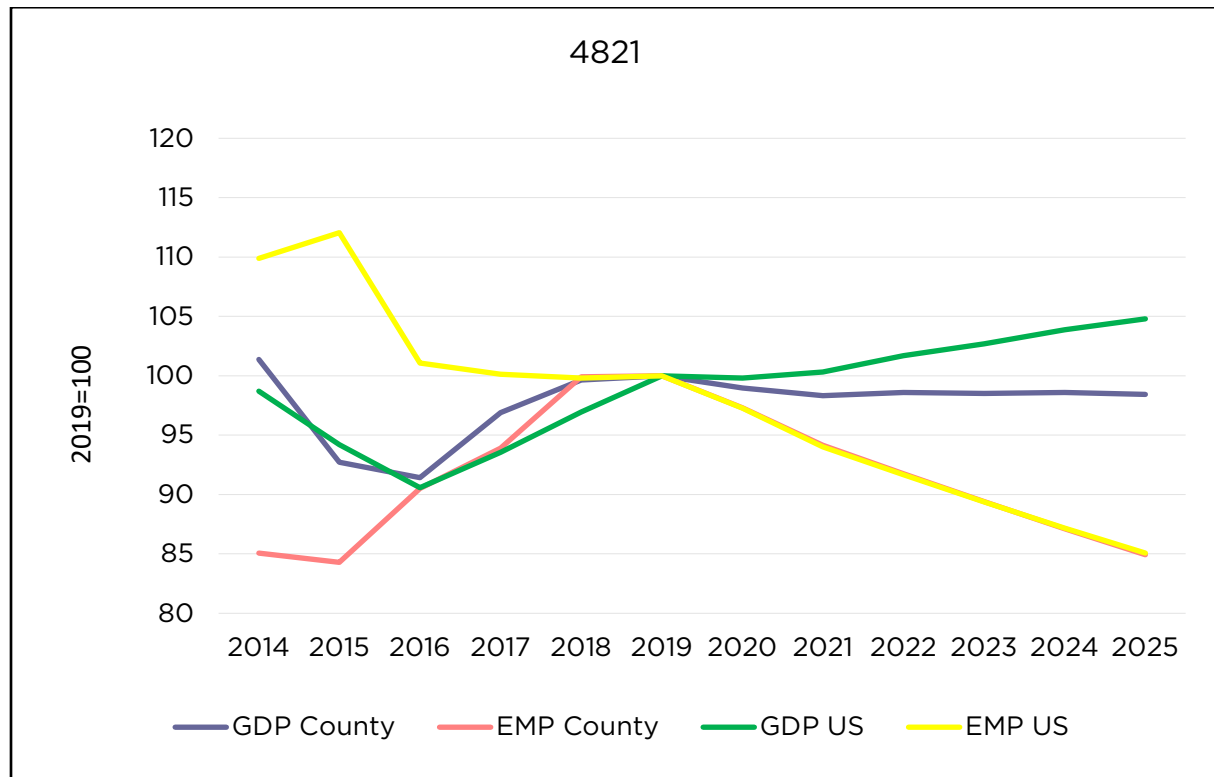
### NAICS 4821: Rail Transportation

“This industry comprises establishments primarily engaged in operating railroads (except street railroads, commuter rail, urban rapid transit, and scenic and sightseeing trains). Line-haul railroads and short-line railroads are included in this industry.”

This industry in Bedford county currently employees an estimated 243 workers and makes it a significant employer by industry. While employment is forecast to decline with the county mirroring the nation, real GDP is expected to remain stable into the forecast period.



## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

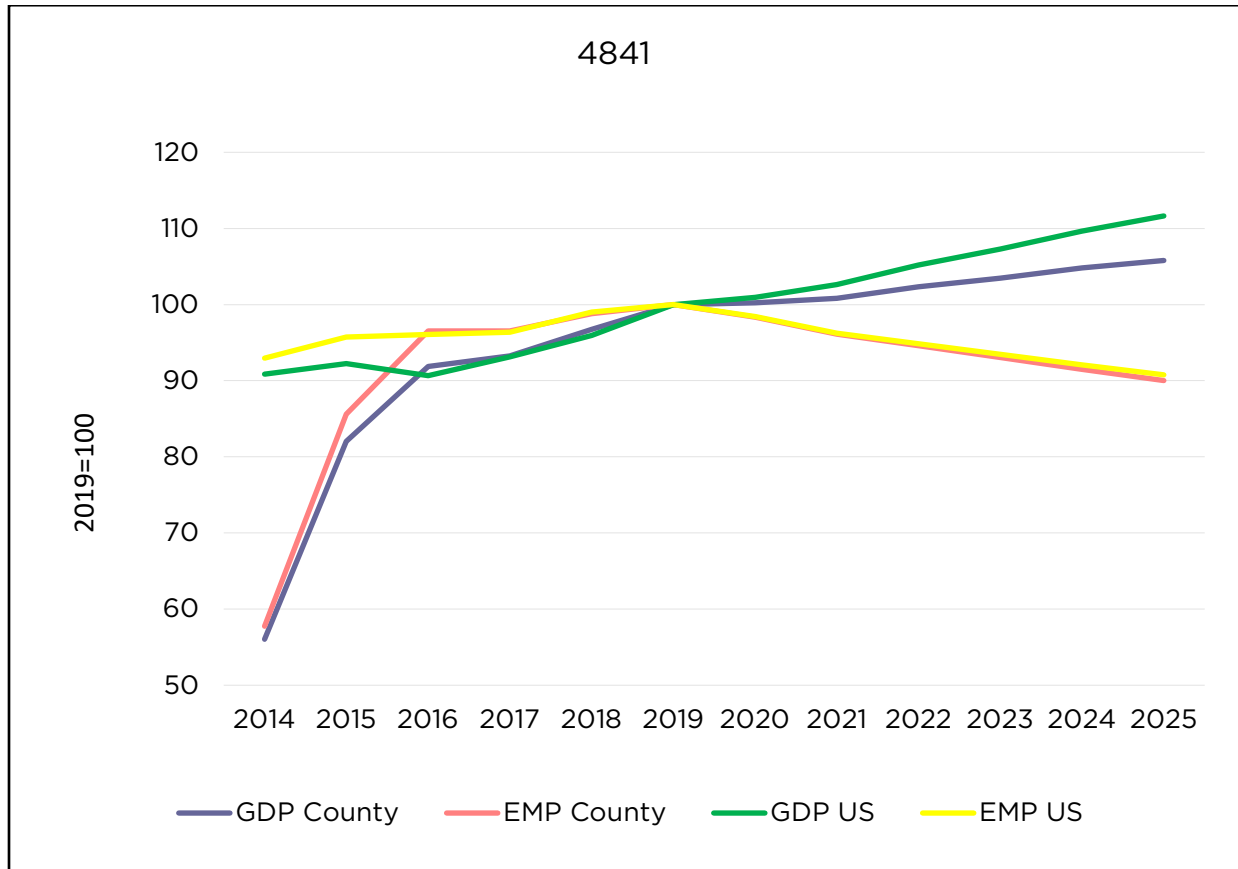


### NAICS 4841: General Freight Trucking

“This industry group comprises establishments primarily engaged in providing general freight trucking. General freight trucking establishments handle a wide variety of commodities, generally palletized, and transported in a container or van trailer. The establishments of this industry group provide a combination of the following network activities: local pick-up, local sorting and terminal operations, line-haul, destination sorting and terminal operations, and local delivery.”

While employment in this industry was stable between 2016 and 2020, there are some industry watchers that see technology, such as self-driving vehicles working to reduce employment while increasing productivity. That outlook is demonstrated in the chart below that sees employment trends at the local level mirroring the national trend in declining workers in the industry. Both national and county real GRP are forecast to increase through 2025. Current employment in the industry is about 257 and is forecast to be about 232 by 2025.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY



### NAICS 4921: Couriers and Express Delivery Services

“This industry comprises establishments primarily engaged in providing air, surface, or combined mode courier and express delivery services of parcels, but not operating under a universal service obligation. These parcels can include goods and documents, but the express delivery services are not part of the normal mail service. These services are generally between metropolitan areas, urban centers, or international, but the establishments of this industry form a network that includes local pick-up and delivery to serve their customers’ needs.

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

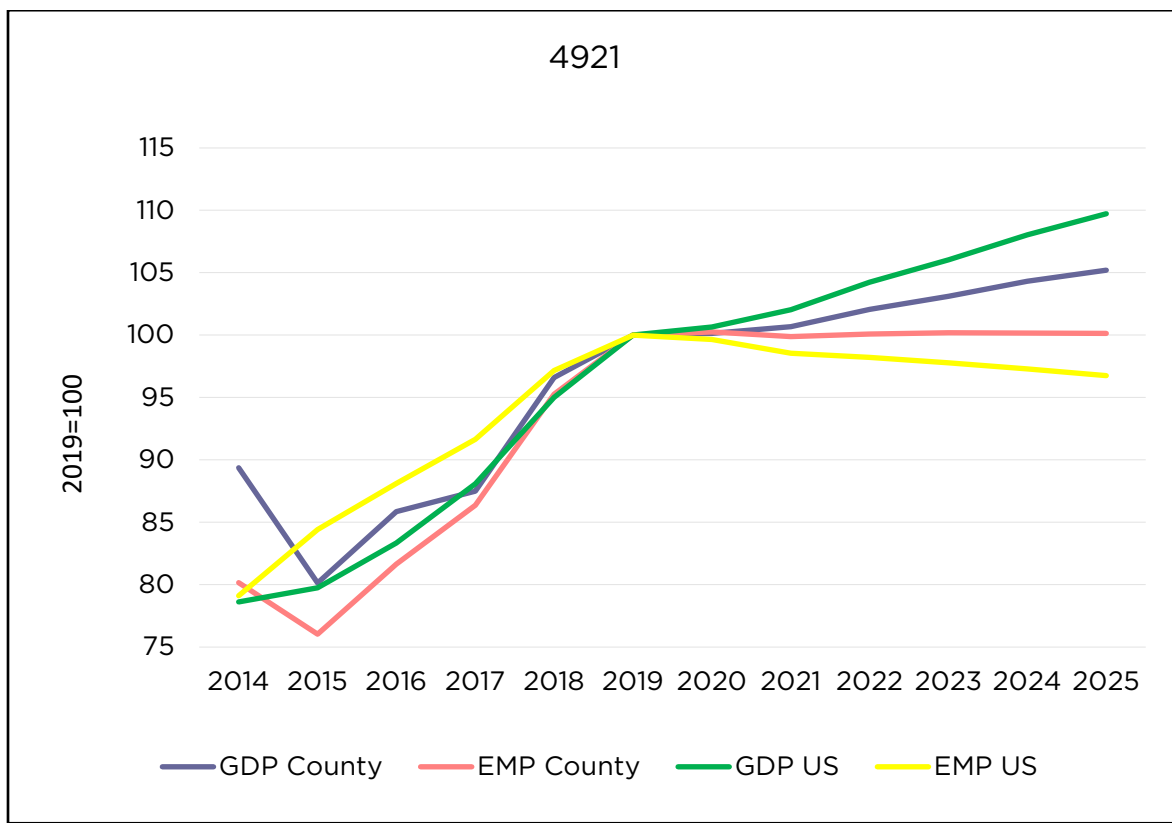
### Illustrative Examples:

Air courier services, except establishments operating under a universal service obligation

Express delivery services, except establishments operating under a universal service obligation

Courier services (i.e., intercity network), except establishments operating under a universal service obligation”

This is an important industry not only in nation, but in Bedford county. The ability to move goods in a reliable and timely issue is important to retaining firms and attracting new ones. The industry employees an estimated 274 workers and employment is forecast to maintain employment in the forecast period. This compares favorably with declining employment in the forecast period for the nation. Real GDP is forecast to grow at both the national and county levels, but the national forecast outpaces the county. One concern that may affect the forecast is the use of autonomous vehicles in delivering goods, but that may be adopted in urban and more dense areas before rural areas.



## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY

### NAICS 4931: **Warehousing and Storage**

The Moody's Analytics data are available only at the 4 digit level. When Census defines this industry, NAICS 4931 Warehousing and Storage, they provide the definitions of the breakdowns of the industry below. These definitions are at the 6 digit level and the available data don't allow for any analysis at the detailed level. But in the collective of these components, this is an important industry in that it has almost 160 workers and is forecast to grow employment as well as real GDP. Forecast GDP growth in the county mirrors that of the nation as does employment growth.

The four-digit industry is comprised of the following sub-industries:

#### **493110: General Warehousing and Storage**

This industry comprises establishments primarily engaged in operating merchandise warehousing and storage facilities. These establishments generally handle goods in containers, such as boxes, barrels, and/or drums, using equipment, such as forklifts, pallets, and racks. They are not specialized in handling bulk products of any particular type, size, or quantity of goods or products.

#### **493120: Refrigerated Warehousing and Storage**

This industry comprises establishments primarily engaged in operating refrigerated warehousing and storage facilities. Establishments primarily engaged in the storage of furs for the trade are included in this industry. The services provided by these establishments include blast freezing, tempering, and modified atmosphere storage services.

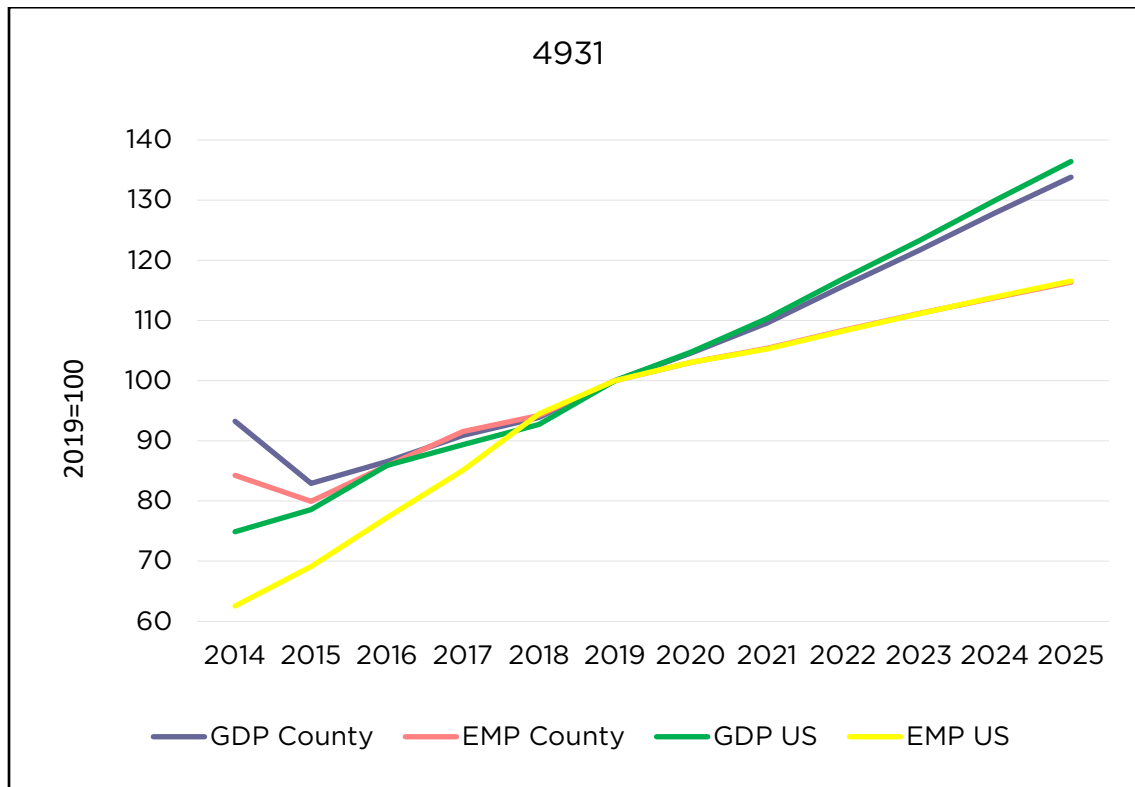
#### **493130: Farm Product Warehousing and Storage**

This industry comprises establishments primarily engaged in operating bulk farm product warehousing and storage facilities (except refrigerated). Grain elevators primarily engaged in storage are included in this industry.

#### **493190: Other Warehousing and Storage**

This industry comprises establishments primarily engaged in operating warehousing and storage facilities (except general merchandise, refrigerated, and farm product warehousing and storage).

## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY



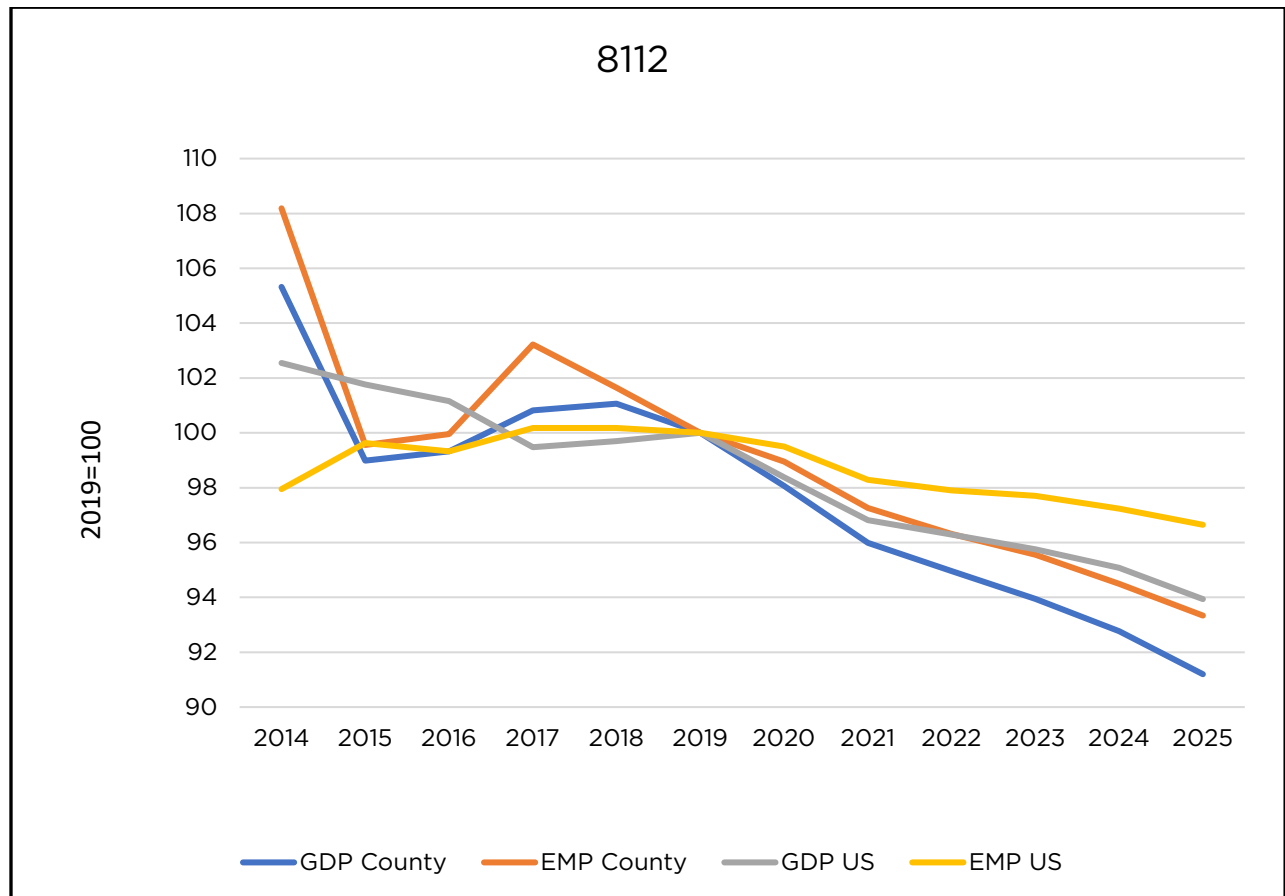
### NAICS 8112: Electronic and Precision Equipment Repair and Maintenance

“This industry comprises establishments primarily engaged in repairing and maintaining one or more of the following: (1) consumer electronic equipment; (2) computers; (3) office machines; (4) communication equipment; and (5) other electronic and precision equipment and instruments, without retailing these products as new. Establishments in this industry repair items, such as microscopes, radar and sonar equipment, televisions, stereos, video recorders, computers, fax machines, photocopying machines, two-way radios and other communications equipment, scientific instruments, and medical equipment.”

Employment in this industry in the county is currently estimated at 57 and is forecast to decline to 53 by 2025. At both the nation and local levels, GDP is expected to decline in the forecast horizon. But it was included for two reasons; first, it met the LQ criteria, and second, as technology on the manufacturing floor increases some of these skills and associated training may be transferrable.



## EXHIBIT I - TARGET INDUSTRIES FOR BEDFORD COUNTY



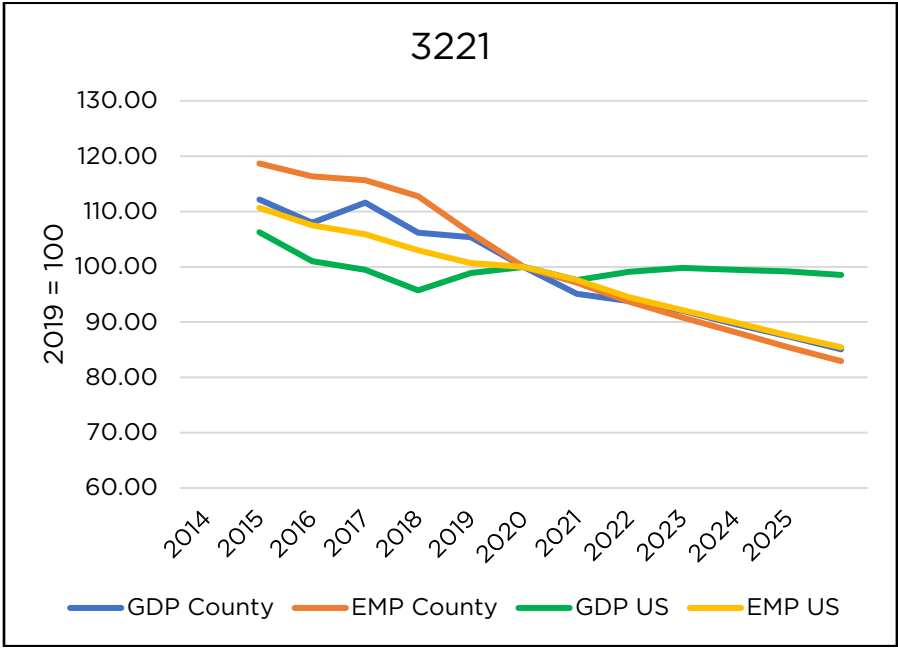
# EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

## Allegheny County (MD)

### NAICS 3221 Pulp, Paper, and Paperboard Mills

“This industry group comprises establishments primarily engaged in manufacturing pulp, paper, or paperboard”

The history and forecast for employment for both the national and county economies is not promising. But it is interesting to note that at the national level, while employment continues to decline, real gross domestic product (GDP) is stable. This suggests that productivity per worker will increase through 2025. It is possible to hypothesize that capital per worker will increase to support this increase in output per worker.



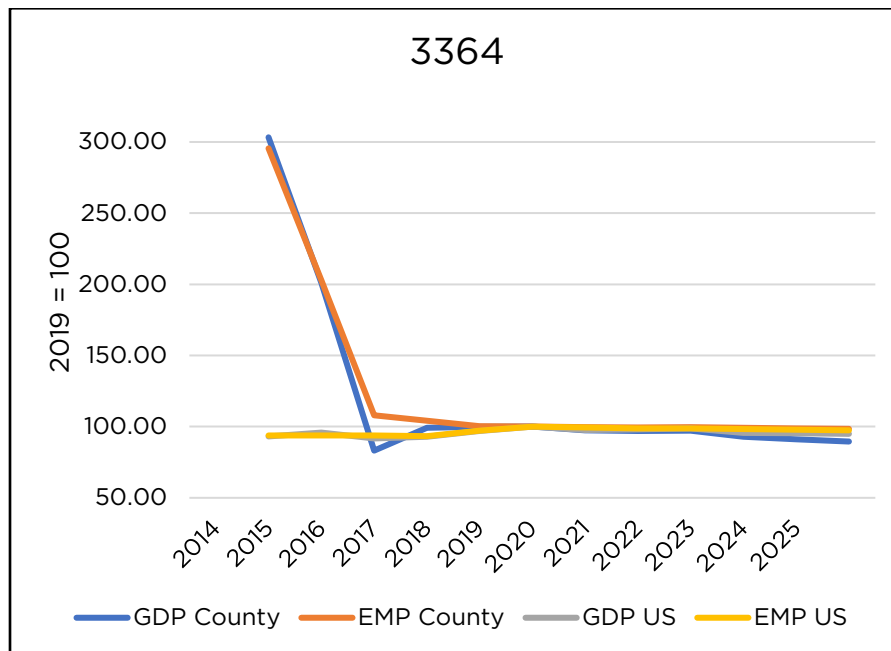
### NAICS 3364 Aerospace Product and Parts Manufacturing

“This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (3) developing and making prototypes of aerospace products; (4) aircraft conversion (i.e., major modifications to systems); and (5) complete aircraft or propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).”

This industry doesn’t have a large presence in Bedford County with about 20 workers, down from just under and estimate 60 workers in 2014. While the forecasts for both the nation and the county are relatively flat through 2025, proximity to the Washington

## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

may be an advantage, even when growth is relatively flat, there may be an opportunity as contracts and suppliers shift over time.

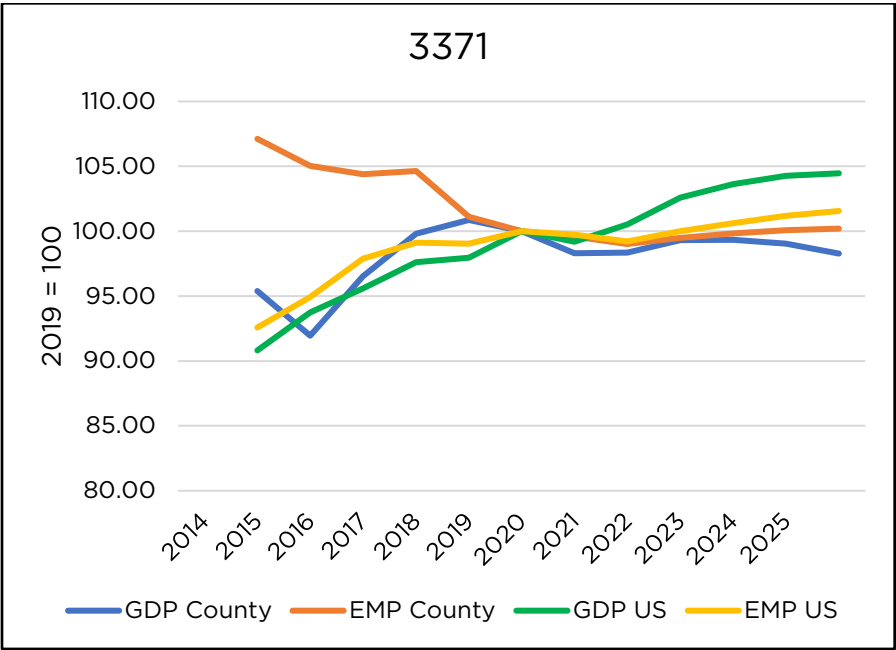


### NAICS 3371 Wood Kitchen Cabinet and Countertop Manufacturing

“This industry comprises establishments primarily engaged in manufacturing wood or plastics laminated on wood kitchen cabinets, bathroom vanities, and countertops (except freestanding). The cabinets and counters may be made on a stock or custom basis.”

This industry, for both the history and forecast period, has about 3 or 4 workers employed within Bedford County. The potential for this industry, as shown in growth in national employment and GDP may come from a number of catalysts. First, according to forecasters at University of Michigan, new home starts in 2019 and 2020 are estimated at about 1.2 million units, and so creating significant demand in the short term. Next, home price appreciation across the nation and according to the Case-Shiller index, while slowing recently, have been increasing at about five percent. These annual price increases, along with a general national housing shortage, may see demand from people renovating rather than moving into the next level in the market. Finally, with a strong economy, there is an expectation that millennials will increase their rate of housing formation and so generate demand for additional units of housing, both in the single-family as well as the multi-family product line.

EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

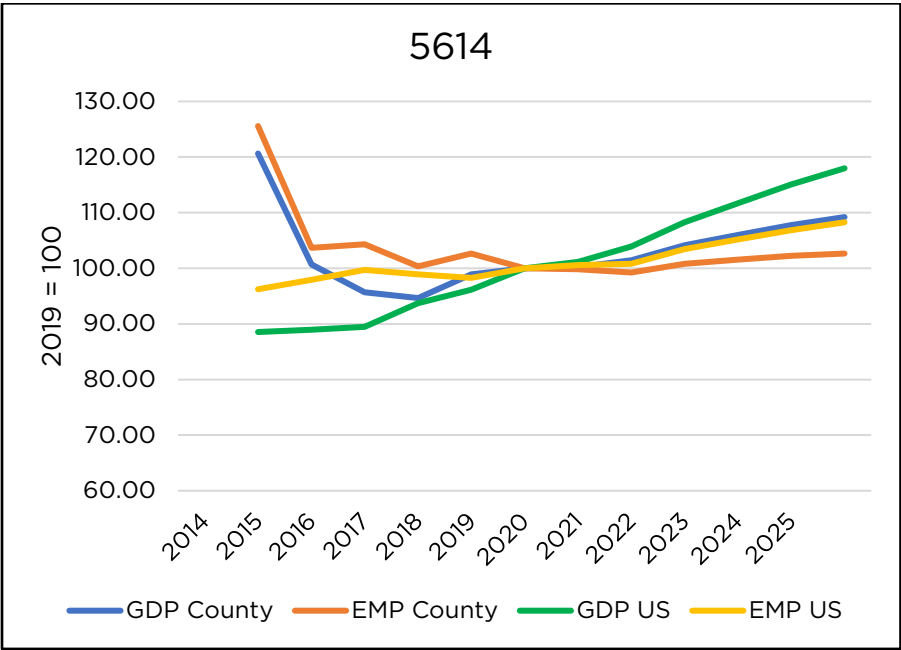


NAICS 5614 Business Support Services

“This industry group comprises establishments engaged in performing activities that are ongoing routine business support functions that businesses and organizations traditionally do for themselves.”

This industry is often referred to as “back offices,” which often include inbound and outbound call centers, as well as other centers providing accounting, temporary employment and other services. Employment in Bedford County is relatively small with less than five employees in both the history and forecast period. There is expected growth in both output and employment in this industry. But a concern being addressed by the EDO in developing better access to broadband would be a factor in growing this industry, particularly if the target would be any type of call center activity.

## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS



### Blair County (PA)

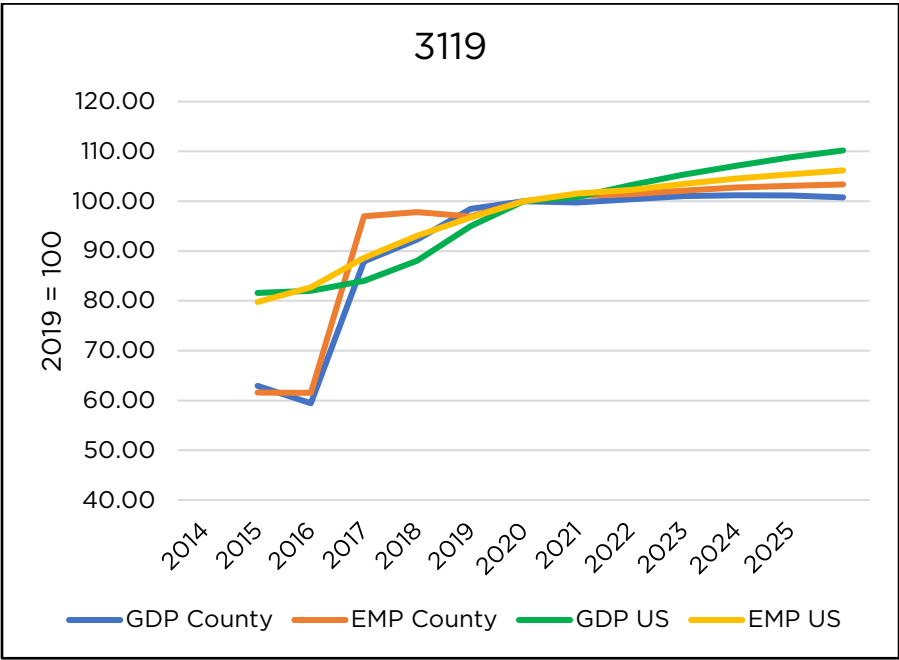
#### NAICS 3119 Other Food Manufacturing

“This industry group comprises establishments primarily engaged in manufacturing food (except animal food; grain and oilseed milling; sugar and confectionery products; preserved fruits, vegetables, and specialty foods; dairy products; meat products; seafood products; and bakery products and tortillas). This industry group includes industries with different production processes, such as snack food manufacturing; coffee and tea manufacturing; concentrate, syrup, condiment, and spice manufacturing; and, in general, an entire range of other miscellaneous food product manufacturing.”

The employment in this industry is just under five employees in Bedford County, but there is expected growth in the output both in Bedford and the U.S. economy. While there is expected growth, this industry is also under a bit of shakeup. Consumption habits are changing as the demographics change, and food manufacturers are trying to stay current by adding and deleting not only products, but entire product lines.



EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

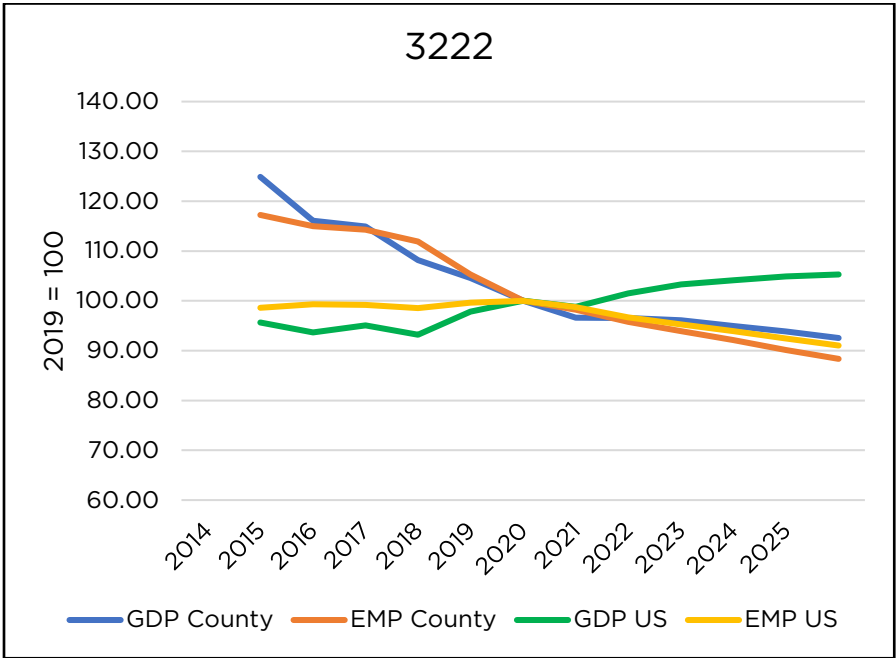


NAICS 3222 **Converted Paper Product Manufacturing**

“This industry group comprises establishments primarily engaged in converting paper or paperboard without manufacturing paper or paperboard.”

Bedford County currently has about 36 people employed in this industry. This is down from about 42 in 2014 and Moody’s estimates a decline to about 32 workers by 2025. The downward trend for the county mirrors that of the U.S. While real dollar GDP forecasts for the county show a decline, national GDP shows some increase. As with other industries, declining employment coupled with increasing output suggest increased worker productivity from advancing technology.

EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

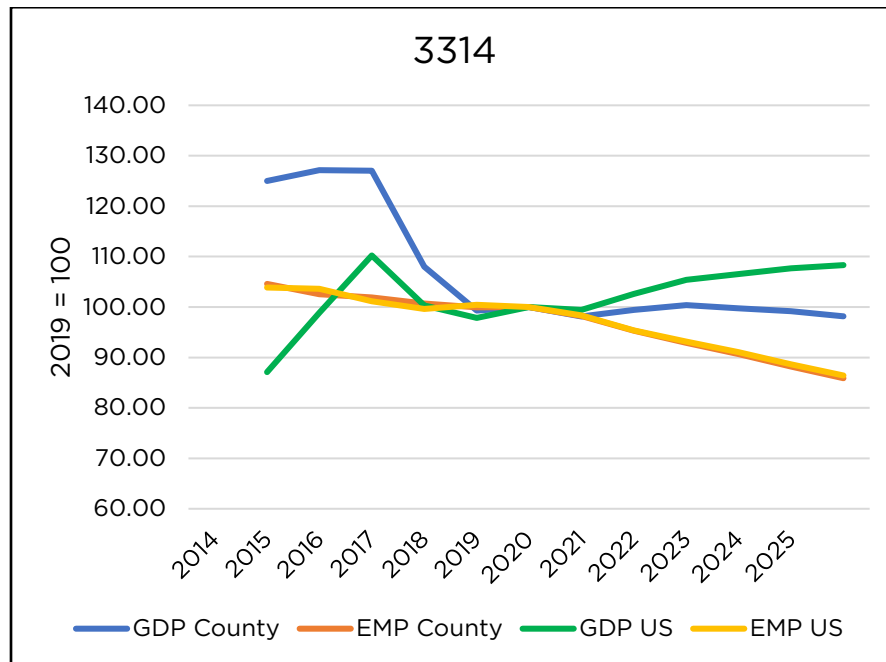


NAICS 3314 Nonferrous Metal (except Aluminum) Production and Processing

“This industry group comprises establishments primarily engaged in nonferrous metal (except aluminum) smelting, refining, rolling, drawing, extruding, and alloying.”

While the graph below shows a downward trend mirroring the national trend, the actual shift in employment is relatively small, down from seven workers in 2014 to an estimate of 6 in 2025. The more interesting aspect of this industry at both levels is the stability of output for the county and the increasing output for the nation in spite of the decline. As with other industries, this suggests that workers will be more productive over time, potentially based on the use of additional technologies to increase worker output.

## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS



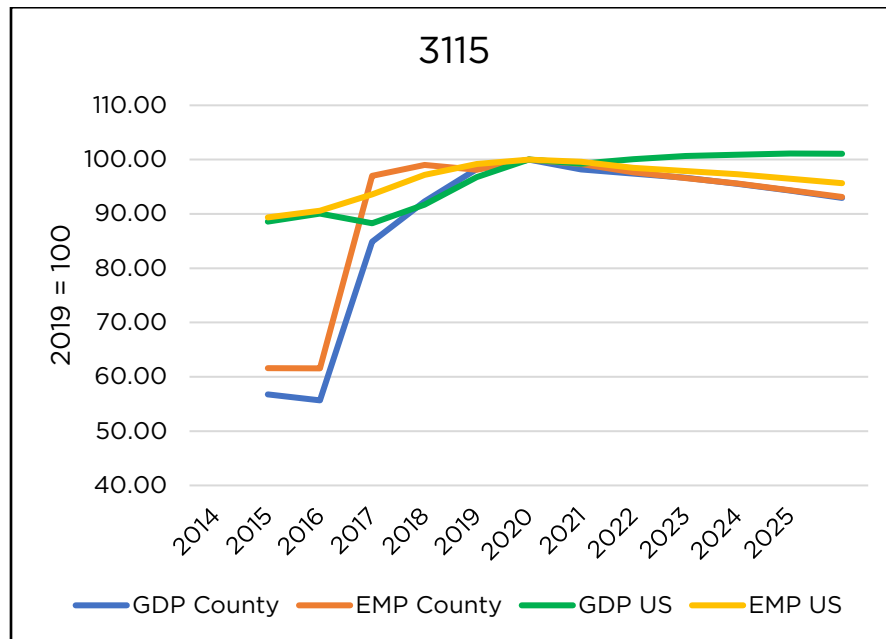
### Cambria County (PA)

#### NAICS 3115 Dairy Product Manufacturing

“This industry group comprises establishments that manufacture dairy products from raw milk, processed milk, and dairy substitutes.”

The graph may be a bit misleading as Moody’s reports one employee in 2014 and less than 2 employees in 2025. But the GDP forecast is somewhat positive. While dependent on local supply, there is a movement to resource locally derived food products across the country, often called “farm to table.” One of the areas of growth is within value-added dairy products created locally aside from milk which include craft cheese and yogurt products.

## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

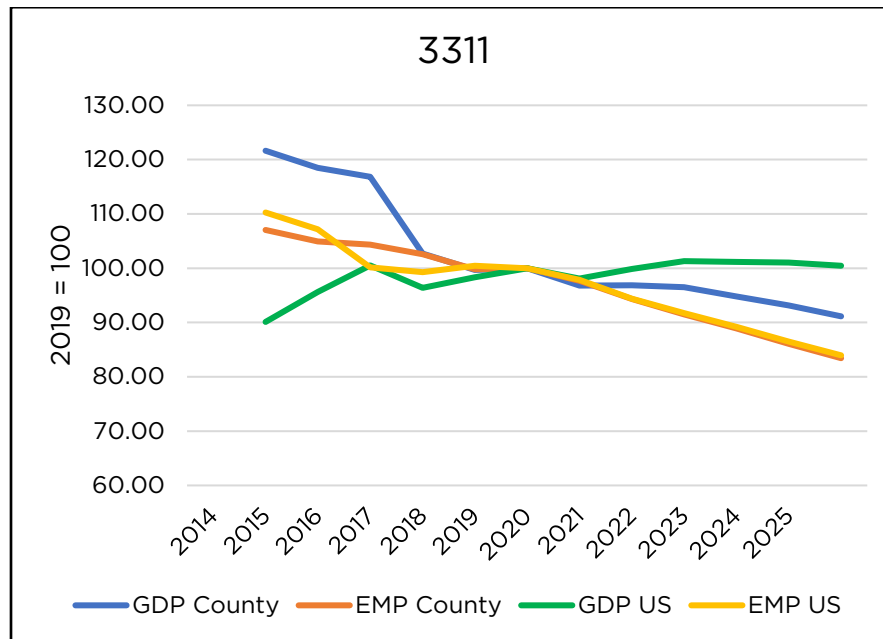


### NAICS 3311 Iron and Steel Mills and Ferroalloy Manufacturing

“This industry comprises establishments primarily engaged in one or more of the following: (1) direct reduction of iron ore; (2) manufacturing pig iron in molten or solid form; (3) converting pig iron into steel; (4) making steel; (5) making steel and manufacturing shapes (e.g., bar, plate, rod, sheet, strip, wire); (6) making steel and forming pipe and tube; and (7) manufacturing electrometallurgical ferroalloys. Ferroalloys add critical elements, such as silicon and manganese for carbon steel and chromium, vanadium, tungsten, titanium, and molybdenum for low- and high-alloy metals. Ferroalloys include iron-rich alloys and more pure forms of elements added during the steel manufacturing process that alter or improve the characteristics of the metal.”

Investment in domestic steel production has increased in the last few years, somewhat due to the imposition of steel and aluminum tariffs on imported products from all but a few countries. Also, the as yet unratified North American compact, the United States-Mexico-Canada Agreement (USMCA) does not include the management of tariffs for steel and aluminum imports. While the USMCA has a longer run component to its impacts, developing domestic production based on tariffs may be short-lived. All of that said, assets within the county, such as railroads, may create potential for some likely smaller scale development in this industry.

## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS



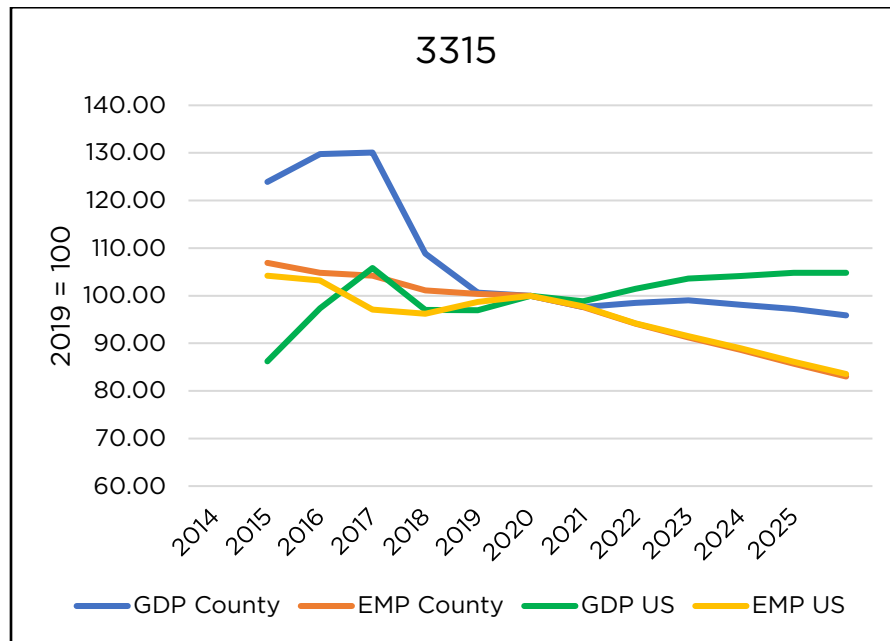
### NAICS 3315 Foundries

“This industry group comprises establishments primarily engaged in pouring molten metal into molds or dies to form castings. Establishments making castings and further manufacturing, such as machining or assembling, a specific manufactured product are classified in the industry of the finished product. Foundries may perform operations, such as cleaning and deburring, on the castings they manufacture. More involved processes, such as tapping, threading, milling, or machining to tight tolerances, that transform castings into more finished products are classified elsewhere in the Manufacturing sector based on the product made.”

While employment in this industry is expected to decline slightly, real GDP for both the county and the nation are forecast to be relatively stable through 2025. Locating foundries in some places can be problematic in some areas, particularly when a couple of conditions are present. One of those is the issue of neighbors wanting jobs but not the industry nearby, a problem commonly referred to as NIMBY-“not in my backyard.” A second problem exists when firms attempt to locate in places that have air quality issues, commonly referred to as “non-attainment” areas.



## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

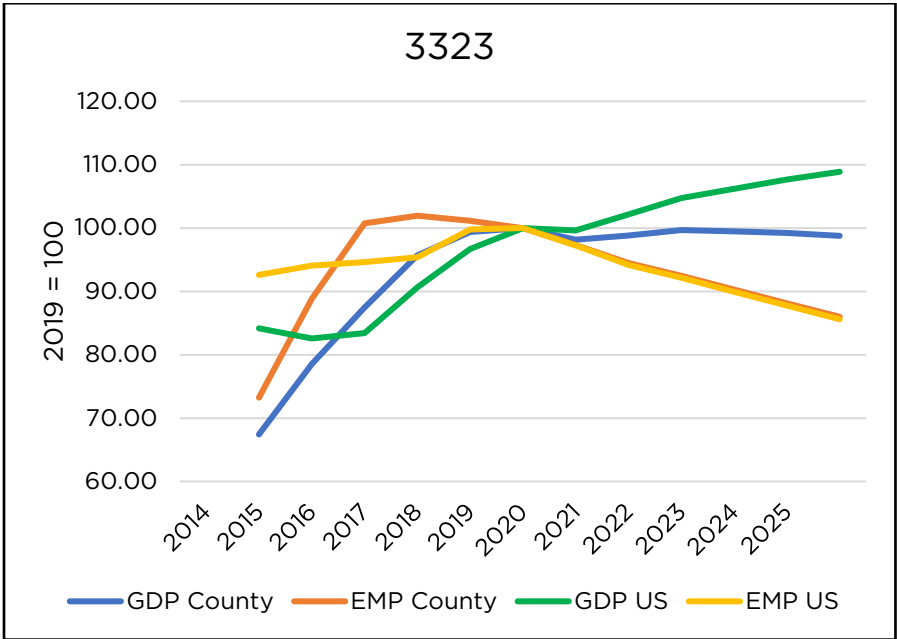


### NAICS 3323 Architectural and Structural Metals Manufacturing

“This industry group comprises establishments primarily engaged in manufacturing one or more of the following: (1) prefabricated metal buildings, panels and sections; (2) structural metal products; (3) metal plate work products; (4) metal framed windows (i.e., typically using purchased glass) and metal doors; (5) sheet metal work; and (6) ornamental and architectural metal products.”

This industry already has a significant presence in Bedford County with an estimated employment of 113 in 2014 and forecast employment in 2025 of more than 130. While real GDP is forecast to be stable for the county through 2025, there is significant growth in forecast for the nation in GDP for the same period.

EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

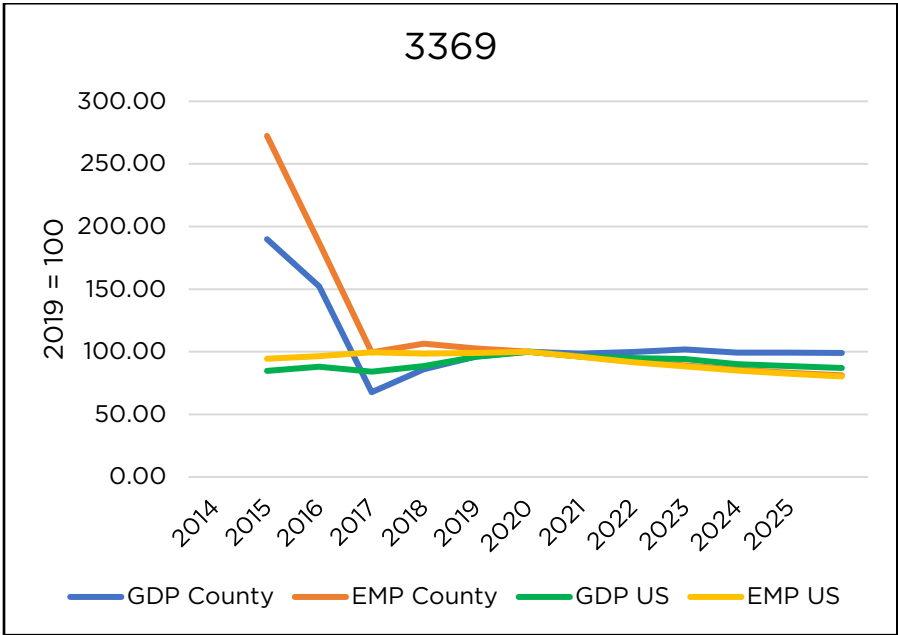


NAICS 3369 Other Transportation Equipment Manufacturing

“This industry comprises establishments primarily engaged in manufacturing motorcycles, bicycles, metal tricycles, complete military armored vehicles, tanks, self-propelled weapons, vehicles pulled by draft animals, and other transportation equipment (except motor vehicles, boats, ships, railroad rolling stock, and aerospace products), including parts thereof.”

The recent history for this industry has not been positive, with Moody’s reporting a decline from 27 jobs in 2014 to about 10 jobs in 2019. While expected employment for the county will decline to about 8 jobs, the forecast for real GDP at the national and county levels shows relatively stable levels. The difficulty of this industry is that it is a “catch all” category and so determining the competitive advantage of a region in making bicycles versus tanks can be problematic.

EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS



Fulton County (PA)

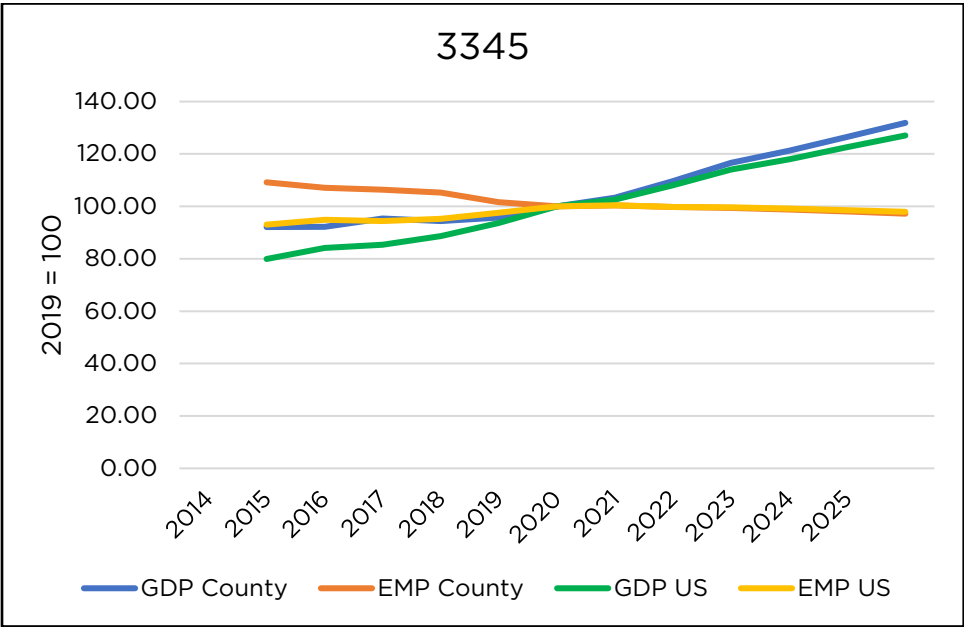
The index scores for Fulton County identified two interesting target industries, NAICS 3339, “Other General Purpose Machinery Manufacturing” which was identified as a target industry already in Bedford County and NAICS 3345 which is covered in the following section.

NAICS 3345 Navigational, Measuring, Electromedical, and Control Instruments Manufacturing

“This industry comprises establishments primarily engaged in manufacturing navigational, measuring, electromedical, and control instruments. Examples of products made by these establishments are aeronautical instruments, appliance regulators and controls (except switches), laboratory analytical instruments, navigation and guidance systems, and physical properties testing equipment.”

Moody’s estimates that this industry in Bedford County currently employs about 42 workers, down from 45 in 2014, and forecasts about 41 jobs by 2025. But there is forecast growth in real GDP at both the national and county levels. It is likely that jobs in this industry are either “middle-skilled” or else knowledge economy positions. The middle skill reference is about those jobs that require training beyond high school, including career technical education (CTE), including apprenticeships, certifications, associates degrees and other technical training up to, but not including a bachelors degree. Knowledge economy jobs are those that that require a bachelors degree and beyond.

EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS



Huntington County (PA)

The only industry that met the index threshold in Huntington County as NAICS 3222 Converted Paper Product Manufacturing. This industry was discussed in the Blair County section.

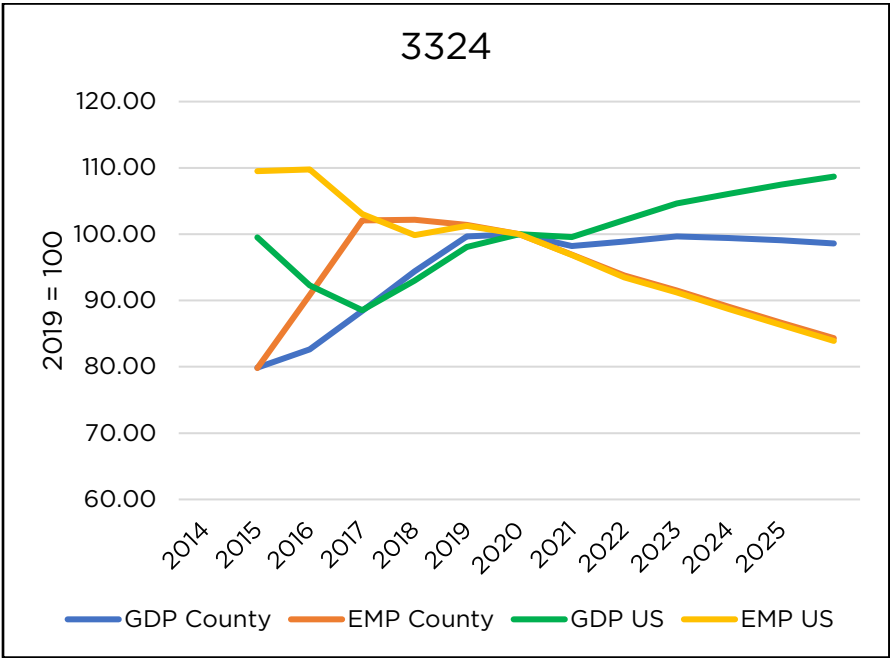
Somerset County (PA)

NAICS 3324 Boiler, Tank, and Shipping Container Manufacturing

“This industry group comprises establishments primarily engaged in one of the following: (1) manufacturing power boilers and heat exchangers; (2) cutting, forming, and joining heavy gauge metal to manufacture tanks, vessels, and other containers; or (3) forming light gauge metal containers.”

Moody’s forecasts stable output for Bedford County along with declining employment between 2019 and 2025. The real GDP forecast for the nation shows growth potential. Employment at the national level also shows decline, suggesting that at both the national and county level output per worker will be increasing, leading to a belief that more skills will be needed by workers in this industry, at least within the forecast period.

EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

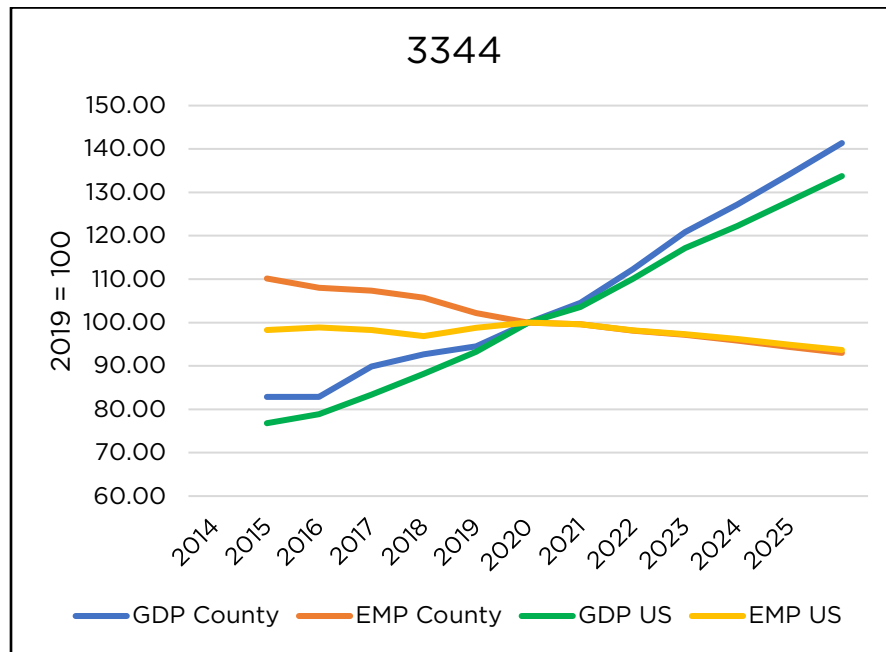


NAICS 3344 Semiconductor and Other Electronic Component Manufacturing

“This industry comprises establishments primarily engaged in manufacturing semiconductors and other components for electronic applications. Examples of products made by these establishments are capacitors, resistors, microprocessors, bare and loaded printed circuit boards, electron tubes, electronic connectors, and computer modems.”

While employment is slightly declining but generally stable, real GDP is forecast to increase significantly through 2025. Bedford County trends on both measures mirror the national trends. It is likely that these jobs will require both middle-skilled workers as well as knowledge economy jobs.

## EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS



NAICS 3345 “Navigational; Measuring; Electromedical; and Control Instruments Manufacturing” was also noted as a potential target in Fulton County. The data for this industry are contained above.

### NAICS 3362 Motor Vehicle Body and Trailer Manufacturing

“This industry comprises establishments primarily engaged in (1) manufacturing motor vehicle bodies and cabs or (2) manufacturing truck, automobile and utility trailers, truck trailer chassis, detachable trailer bodies, and detachable trailer chassis. The products made may be sold separately or may be assembled on purchased chassis and sold as complete vehicles.”

Moody’s shows a decline in employment between 2014 and 2019. This trend, and the slight reduction in the number of jobs in the forecast period for this industry is occurring at both the county and nationally. Conversely, real GDP, has grown and is expected to grow in the forecast period, and the at a relatively rapid pace. Opportunity or threat may be more from firm decisions around mergers and acquisitions than by growth in the vehicle sector. Light vehicle sales are returning to a forecast trend of about 16.8 million units per year. This suggests that new facility development may be limited. But opportunities may be available on both the light side and heavy sides of the industry. Class 8-heavy truck sales are fully booked through 2020 and with the need for tractors could come trailers.



EXHIBIT II - INDUSTRY INSIGHTS FROM NEIGHBORS

